

153

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON U.S. JOBS AND WAGES

Y 4. B 22/3: S. HRG. 103-120

The Impact of the North American Fr...

HEARING

BEFORE THE

COMMITTEE ON

BANKING, HOUSING, AND URBAN AFFAIRS

UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

THE IMPACT OF THE PROPOSED NORTH AMERICAN FREE TRADE
AGREEMENT [NAFTA] ON U.S. JOBS AND WAGES PARTICULARLY IN
THE MANUFACTURING SECTOR

APRIL 22, 1993

Printed for the use of the Committee on Banking, Housing, and Urban Affairs



SUPERINTENDENT OF DOCUMENTS
CONGRESSIONAL

SEP 24 1993

BOSTON PUBLIC LIBRARY
CONGRESSIONAL

U.S. GOVERNMENT PRINTING OFFICE

70-517 CC

WASHINGTON : 1993

For sale by the U.S. Government Printing Office

Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-041235-8

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON U.S. JOBS AND WAGES

4. B 22/3: S. HRG. 103-120

Impact of the North American Fr...

URING

BEFORE THE

COMMITTEE ON

BANKING, HOUSING, AND URBAN AFFAIRS

UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

THE IMPACT OF THE PROPOSED NORTH AMERICAN FREE TRADE
AGREEMENT [NAFTA] ON U.S. JOBS AND WAGES PARTICULARLY IN
THE MANUFACTURING SECTOR

APRIL 22, 1993

Printed for the use of the Committee on Banking, Housing, and Urban Affairs



SUPERINTENDENT OF DOCUMENTS
CONGRESSIONAL

SEP 24 1993

BOSTON PUBLIC LIBRARY
THE CONGRESS OF THE UNITED STATES

U.S. GOVERNMENT PRINTING OFFICE

70-517 CC

WASHINGTON : 1993

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-041235-8

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

DONALD W. RIEGLE, JR., Michigan, *Chairman*

PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut

JIM SASSER, Tennessee

RICHARD C. SHELBY, Alabama

JOHN F. KERRY, Massachusetts

RICHARD H. BRYAN, Nevada

BARBARA BOXER, California

BEN NIGHTHORSE CAMPBELL, Colorado

CAROL MOSELEY-BRAUN, Illinois

PATTY MURRAY, Washington

ALFONSE M. D'AMATO, New York

PHIL GRAMM, Texas

CHRISTOPHER S. BOND, Missouri

CONNIE MACK, Florida

LAUCH FAIRCLOTH, North Carolina

ROBERT F. BENNETT, Utah

WILLIAM V. ROTH, JR., Delaware

PETE V. DOMENICI, New Mexico

STEVEN B. HARRIS, *Staff Director and Chief Counsel*

HOWARD A. MENELL, *Republican Staff Director*

PATRICK A. MULLOY, *Senior Counsel/International Affairs Adviser*

SHARON B. HEATON, *Counsel*

CINDY LASKER, *Professional Staff Member*

WAYNE A. ABERNATHY, *Republican Economist*

PAMELA RAY STRUNK, *Professional Staff Member*

CHERYL M. WASHINGTON, *Professional Staff Member*

EDWARD M. MALAN, *Editor*

(II)

RECEIVED
SEP 5 1983
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

CONTENTS

THURSDAY, APRIL 22, 1993

	Page
Opening statement of Chairman Riegle	1
Opening statements, comments, or prepared statements of:	
Senator D'Amato	3
Senator Boxer	3
Senator Faircloth	4
Senator Bennett	4
Senator Bryan	5
Prepared statement	58
Senator Mack	5
Senator Campbell	32
Senator Moseley-Braun	41

WITNESS

H. Ross Perot, Dallas, TX	6
---------------------------------	---

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

Business Week Magazine article entitled "The Mexican Worker"	59
AmeriMex, Maquiladora Fund L.P.	66
Miscellaneous ads from the state of Yucatan, Mexico	71
List of U.S. corporations that have moved to Mexico	74
Vulnerable U.S. industries and jobs at risk in the United States	92

(III)

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON U.S. JOBS AND WAGES

THURSDAY, APRIL 22, 1993

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The committee met at 10:02 a.m., in room SD-538 of the Dirksen Senate Office Building, Senator Donald W. Riegle, Jr. (chairman of the committee) presiding.

OPENING STATEMENT OF CHAIRMAN DONALD W. RIEGLE, JR.

The CHAIRMAN. The committee will come to order.

Let me welcome all those in attendance today. We have a capacity, standing-room-only, gathering here. Many more people wanted to get in and, unfortunately, the room is only as large as it is. So, we hope that people are being accommodated through the televising of this into another room.

We're meeting this morning to examine the impact of the proposed North American Free Trade Agreement and the impact it will have on U.S. jobs and wages, particularly in the manufacturing sector. We have a very important witness, H. Ross Perot, here this morning and I will save my introductory remarks for him until I've made two other comments about this problem.

I think the most important economic goal for America over the next 4 years is creating at least 8 million new private-sector jobs. Yet, I'm convinced from all the work that we have done, if this Free Trade Agreement with Mexico is adopted, that America's biggest export to Mexico will be American jobs, particularly American manufacturing jobs.

This is the first time that countries of vastly different levels of economic development have attempted to enter into a free trade agreement.

Currently, wages in Mexico are approximately one-tenth of the wages here in the United States. Similarly, the gross domestic product per capita in the United States is over \$21,000, as it is in Canada. In Mexico, it is a meager \$3,350.

These wage disparities have already resulted in countless jobs moving from the United States to Mexico and causing many American firms to relocate down there. Of course, this is being heavily promoted by the Mexican government.

In fact, in a March 16, 1992, article in *Business Week*, entitled, "Detroit South," the president of Ford Motors of Mexico stated that

if NAFTA is approved, the Big Three automakers could triple production in Mexico to 3 million or more autos a year. Much of that increased Mexican production would be for the U.S. market and would replace production by U.S. workers.

This would be a devastating blow to the U.S. industrial base and to our U.S. economy. And further, we can never bring our Federal budget deficit under control if more and more U.S. jobs are moving to Mexico and to other countries.

NAFTA will accelerate U.S. job losses, as more companies seek to lower costs by locating in Mexico, while gaining investment protections not currently available. The Mexican government knows this and has expressly encouraged United States companies to move to Mexico to obtain cheap labor.

Today, our witness will be talking and illuminating some of these issues, particularly with respect to the AmeriMex fund, which is actually designed to buy United States manufacturing companies and move them from the United States to Mexico.

The brochures will be covered here today. The Mexican government itself was an original investor in that fund and it's clear that as this effort is promoted, more and more jobs of our country will be lost to lower paid Mexican workers.

If one looks at the actual text of the NAFTA agreement, there are a number of glaring defects in it. One prime example is flat glass, where there is a tariff arrangement there that—I lay it out in my statement. I won't go through it all in detail here because we'll have a follow-up hearing where we'll get into specific issues like that, where massive job losses in this country will occur if this thing moves forward as it's now been laid out.

I want to finally say that this committee has as its central jurisdiction the issue of the economic strength and stability and stabilization of this country. We take that responsibility very seriously. This free trade package poses a great danger to the economic stability and job future of this country. And so, today, at our first hearing, we've asked specifically this witness to come and testify, and I want to thank H. Ross Perot for doing so. I want to say very directly that I appreciate your vision and your national leadership on this vital issue. I think as a Texas businessman you understand the American and the international economy and you bring a vital perspective to this issue.

Today, based on the extensive analysis that you have done, I think the people of America will finally get an in-depth picture of the danger to the U.S. job base created by this proposed free trade agreement. I deeply appreciate the fact that you've done this work and that you've stepped forward to confront what I consider to be an extensive propaganda campaign promoting NAFTA. And if I have a copy here, the most recent of which was an eight-page paid advertisement, full pages, bought and paid for here in the New York Times just 2 days ago.

Today, I think you're going to be speaking for millions of Americans whose jobs are at risk and who really can't afford to buy full-page ads and shouldn't have to, on this issue. So I very much appreciate the leadership you're giving this issue and what you've come to tell us today.

Senator D'Amato.

OPENING STATEMENT OF SENATOR ALFONSE M. D'AMATO

Senator D'AMATO. Thank you very much, Mr. Chairman. Let me commend you for holding these hearings.

Let me take this opportunity to thank Mr. Perot for coming in. I go back a ways with him when he helped rescue my old high school schoolmate, Paul Chaperone. It was a great and thrilling experience then to be the man who just said, I'm going to do something, regardless of what others in the international and in our own country refused to do.

It's good to see him again. I'm looking forward to hearing him call them the way he sees him and his study that he has undertaken.

I'm going to ask him if he might comment on three things, basically. Will NAFTA result in more or less jobs for America? What, if anything, will be the impact in my State, in the State of New York, as it relates to jobs? And third, because he has done some work in a study with respect to the issue of the car that becomes a truck to escape tariff purposes, and then becomes a car again, so that it doesn't have to comply with safety standards and fuel standards and fuel emission standards, what his opinion with respect to that particular sleight of hand is, and should we remedy it?

So, again, let me pay particular commendations to Mr. Perot for his outstanding leadership in so many areas, and we thank him for being with us today.

The CHAIRMAN. Senator Boxer.

OPENING STATEMENT OF SENATOR BARBARA BOXER

Senator BOXER. Thank you very much, Mr. Chairman, and welcome, Mr. Perot, to this committee. And I thank the Chairman for holding this hearing, which is so crucial to the future of our country.

I'm very interested in what you're about to tell us, so I'm not going to make a long statement. Just to give you a sense of, as the young people say, where I'm coming from, I am very concerned about NAFTA.

I was in the House of Representatives when President Bush asked us to give him fast-track authority. I voted against it and was outvoted. I thought it was kind of a cowardly act by the Congress to take itself out of the fight because there's no other legislature in the world that doesn't try to amend trade agreements of this nature. I think it was really wrong for the Congress to opt out and let the blame exclusively fall on the President, be that George Bush or Bill Clinton.

As you know California, the largest State in the Union, is struggling. You know it well. You have a lot of friends there. And I know very clearly that the California dream is in jeopardy—as is the American dream—because we're just not creating the jobs we need to create.

That's why I'm just sick at heart about what happened here in the U.S. Senate when we failed to give people some work. It's really serious because today's statistics show more people are filing for unemployment.

We're not a job-producing country. We've only produced a million jobs at this point in the recovery when, in a normal recovery, we would have created 4 million new jobs.

NAFTA is a crucial issue and I believe that the work you've done on this is going to be very helpful to all of us.

Thank you for being here.

The CHAIRMAN. Senator Faircloth.

OPENING COMMENT OF SENATOR LAUCH FAIRCLOTH

Senator FAIRCLOTH. Mr. Perot, we're delighted to have you. As somebody who represents the free enterprise system and spent their life into it, we need more of that in Washington, and glad you're here.

I am honored that you're here. Sometime before we finish today, I'd like to get you to comment on where jobs should be created, in the private sector or in the Government sector.

Thank you.

The CHAIRMAN. Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman.

Mr. Perot, I would be remiss if I didn't welcome you on behalf of all of your supporters in the State of Utah. You may already remember that's one of the few, if not the only State where you came in second rather than third. Many of those supporters supported me, obviously, or I wouldn't be here. So on their behalf, I welcome you and thank you for your involvement in the political process.

I also, if I might be allowed a personal statement, want to welcome you as a fellow businessman. You may or may not know, the company that I am associated with, Franklin Quest, was started 8½ years ago. I was the CEO for 6½ of those 8½ years. And while we haven't achieved the kind of success that you achieved at EDS, as I checked the morning paper, Franklin Quest's market value is currently half a billion dollars, in 8½ years.

Give us as many years as you took at EDS, and maybe we'll get to the level that you reached.

Mr. PEROT. You're way ahead of us.

[Laughter.]

Senator BENNETT. I hasten to say, lest you have any misunderstanding, that I did not own all the stock, and my share in Franklin Quest is nowhere near your share in EDS and now, Perot Systems.

I had enough to finance a Senate campaign in a very small State, whereas, you had enough to finance a presidential campaign in the whole country. So we have that in common. Franklin Quest, in that 8½ years, has created 1,200 jobs that did not exist, was founded in the depths of what some considered a recession. Those jobs were created out of the kinds of processes that I think you and I both understand fairly well.

I give you that background because when we get to the question period, you might find some of the comments I have to make and questions that I have to ask a little hostile from some of the positions that I understand you've taken in the past.

I want you to know that they come out of a business background, not a political background. They come out of an entrepreneurial experience, not an academic experience. They come out of business literature that I think you and I both read together.

I still have been unable to find time to get to my copy of "Reinventing Government" that President Clinton has made the bible of his administration. But somehow, I can't begin the day without spending time with The Wall Street Journal.

So that's the position from which I come, the background which I have, and I tell you that up front as I welcome you here and look forward to the dialog that we will have as two business types creating jobs in our past. We hope we can come to some kind of understanding.

Thank you.

The CHAIRMAN. Thank you. Senator Bryan.

OPENING STATEMENT OF SENATOR RICHARD H. BRYAN

Senator BRYAN. Thank you very much, Mr. Chairman. Let me preface my comment by commending you for convening this timely hearing.

Mr. Perot, you and I have not had the occasion to meet. I'm the other Senator from Nevada, and I'm delighted to have you here with us this morning.

I'm going to be particularly interested in getting your insight from the business perspective. There has been much rhetoric on both sides of this proposition. I think what we need to get an understanding of is what the practical implication is.

I was particularly shocked when I saw the report that came to my attention for the first time in the last week of February of this year, that the economic assumptions that the previous administration had made, that, indeed, the academic underpinning, if you would, for those assertions about the job increase, that, indeed, these same experts, Mr. Huffbauer and Mr. Schott, that apparently, when you go to a later chapter in their analysis, tell us that, in effect, after 15 to 20 years of the job increase, that apparently under their assumption occurs in the first phase, disappears.

Now that doesn't seem to me like a very wise policy for us to pursue if we're looking only the short-term. Clearly, the long-term implications ought to be what any policy development this Congress ought to be interested in. So I will be interested in your insight from a business perspective and I agree with my distinguished colleague, Senator Bennett, that we welcome a practical flavor to the undertakings that we're about to embark on.

And I thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Mack.

OPENING COMMENT OF SENATOR CONNIE MACK

Senator MACK. Thank you, Mr. Chairman.

I really do not have any opening statement, other than to welcome Ross Perot to the committee. I look forward to your comments and will raise a question or two having to do with some trade policy questions, and maybe a question or two with respect to overall Federal spending and your ideas related to that. But I welcome you to the committee and thank you, Mr. Chairman.

The CHAIRMAN. You've done a lot of work on this issue and you've come loaded here in terms of the information that you have out on the table in front of you. Feel free to pull that mike a little closer to you so that people in the back of the room can hear you. We'd like you now to go ahead and to make your presentation. We welcome you.

STATEMENT OF H. ROSS PEROT, DALLAS, TX

Mr. PEROT. All right, sir. I think we've got some high school students back there. If I could borrow a couple to distribute this stuff for me, then I won't have to get up every 3 or 4 minutes.

The CHAIRMAN. All right.

Mr. PEROT. And I'll keep them moving around the room. If I could get two volunteers just to come sit right here with me. OK.

The CHAIRMAN. Why don't you come right up and sit in those first two chairs there. And you'll be put to work shortly.

Mr. PEROT. And they thought they were on vacation, right?

[Laughter.]

We're going to pay you 58 cents an hour.

[Laughter.]

To put that in perspective, when I was a boy in the Depression, I worked for 50 cents an hour as a teenager. The Mexican minimum wage today is 58 cents an hour.

As we talk about this today, please remember that we have millions and millions and millions of good, decent people in this country who are willing to work, but cannot create their jobs. If there is no job, they have no work. And in the words of a man who had worked for years in a meat-packing plant in Iowa, they closed the plant. He was a proud man, did not want to go on welfare, resisted as long as he could. The New York Times interviewed him and he said, "I didn't quit my job; my job quit me."

Now we've got jobs quitting people by the millions in this country. A handful of people can create jobs in this country. They can create and build companies. And these people have an enormous obligation to create good, stable jobs. Let me define what I believe is a good, stable job.

It is not the Department of Labor, or whoever came up with this definition of jobs for the job stimulus package—one person working for 1 year. A job is a job in a growing, well-run business, where a person can go and work for decades and because it is a well-run business, thousands, or even tens of thousands of new jobs are created and you get the multiplier effect from that.

There is no Government involved. There is no taxpayer money involved.

The greatest contribution our Government could make is to change its adversarial relationship with business to an intelligent, supportive relationship with business because that's what our successful industrial competitors around the world have.

If you look at the total absence of rules south of the border, and you look at the layer on layer of rules with new rules being passed every day north of the border, then you wonder why anybody would want to have a factory here. Let me put this into perspective.

If all I care about was making money, I would not be here today. I would be hoping this thing passed. I would be buying manufac-

turing companies that make good products that are labor-intensive, manufacturing-intensive, that had good management, that were marginally profitable. All I would have to do is move these factories south of the border. In 3 or 4 years, I could triple or quadruple the value of the stock and sell it and go get a batch more. But what am I doing? I'm deindustrializing my company. I am taking people's jobs from this country.

We have seen whole communities devastated, and certainly in your State, you see it close up. When the factory that's been there for decades goes south of the border, the people have no work and the 5 to 1 multiplier that comes with a manufacturing concern, five jobs away from the company for every job created in the company, goes the other way.

Now one of our problems in our country is sort of like the inheritors of fifth-generation wealth. We've been so rich for so long, we just take it for granted. We just assume that there's always going to be a check in the mail every month.

The same with our freedoms. We take our freedoms for granted. But you all know it's precious, it's fragile, and we have to re-earn it. It's a very sensitive thing.

We are at a critical turning point and as we talk about continuing to de-industrialize America, which is exactly what we're doing and I don't think anybody's doing it on purpose, but I can prove to you with the numbers that we're doing it, it's an odd time to do it when you're \$4 trillion in debt, and when in the last three presidential terms, you've gone into debt an additional \$1 trillion each term and our new President's forecast is that he will go into debt \$1 trillion more during his first term. And everybody's results are always worse than their forecasts, if you look back through history.

Our manufacturing base, which is the heart and soul of our job base and our tax base, is declining. These are our highest paying working jobs and the core of the tax base.

Only in America would we export 2 million manufacturing jobs to Asia alone in the 1980's. The factory workers who had those jobs were making typically, \$440 a week. If they have a job at all now, they're making \$270 a week. They've either lost their house or they're on the edge. Their children, who they thought might go to college, probably can't, or are having to work their way through.

And one of the worst things that happens to people when they lose their jobs is they lose their self-esteem. One of the saddest things in the world is for a parent to have to come home and look the family in the eye and say, I've lost my job. We're going to have to sell the house. You won't be able to go back to school next year. That goes right to the core of destroying the American dream.

The standard of living in our country has gone down for four out of five American families during the 1980's. Let's go back to 1950. Our factory workers made 15 times as much as Japanese factory workers and four times as much as German factory workers. Today, both countries pay their people better than we do.

I would want you to see the first 40 miles coming from Hong Kong into China. It's a major highway with nonstop industrial construction along both sides of the roads. I wish there were some way, it's unrealistic, I think I'll get somebody to film it and send it to you so that you can all sit at home and watch it. That's 80

linear miles of industrial construction. When you go to Hong Kong, when you go to Singapore, when you go to Asia, you're looking at tomorrow.

Come back to our great country and go anywhere you want to and find any sort of industrial development like you see there. Or if you say, look, I can't afford a ticket over there, just go south of the border. Go across the Texas border and look at all those plants in Mexico. You're looking at tomorrow. Now come back to our country. Look at the conditions of our cities. Particularly go to our major cities, our older cities, and just walk around and you'll see the difference.

We have a major challenge here in manufacturing. When I was a child, the words, Made in the USA, were the world's standard for excellence. If you only got an apple for Christmas during the Depression, you understood your parents loved you. But if they gave you a toy made in Japan, you wondered.

[Laughter.]

That's where Japan was. No, seriously, they were bad toys. Think of the change. Look at where they are today.

The worst thing you can ever do when you're on top is become arrogant and complacent and yet, that's human nature 101 and that's what we've done.

We have to manufacture here if we're going to remain a superpower. We won World War II because we could convert our plants to wartime use and if we hadn't had all those plants, if Riverrun hadn't existed, we couldn't have made bombers there. That's as plain as I can put it.

Now let's look at where we could be 10 years from now if we follow the policy we're on now.

You say, Ross, the war is over. I would pray that the war is over. But history teaches us that war is a constant of history. Man is a war-like animal and we had better be able to defend this great country.

OK. We're hit with a problem again. Here's what we'll have to do. We have to go to Europe and Asia and respectfully ask, could we have some steel? And then we go to Russia and say, may we have some aluminum? And then we go to the Middle East and beg for oil because you can't fight a war without oil. Then we go to Asia and beg for integrated circuits because 19 out of 20 are made over there that we use here now.

Then we go to Asia and south of the border, and this is interesting when you consider our history at Valley Forge, when our troops fought barefooted in the snow. We'll be back over saying, would you make us some boots, and would you make us some uniforms because we shipped all those industries over to you. And finally, we'll have to go to Puerto Rico and beg them for drugs and pharmaceuticals.

Now, I hope I'm making a point. To defend this great country, first, we need the jobs here. Second, to defend this great country, we'd better have the factories here, and we're moving those factories overseas. And if all you want to do is make money, you're going to move yours tomorrow.

It's important to remember that Mexico is our friend and Mexico is our neighbor, and President Salinas has done an outstanding job of rebuilding the Mexican economy.

As we discuss this, and doing side agreements on NAFTA, please remember that Mexico is extremely sensitive about its sovereignty, because of problems that our two nations have had in the past. We need to be careful on this issue.

Now let me divert for a minute.

If you ever decide to go down and look at Mexico firsthand, when you're standing down there and you see all that pollution in the air and you look at the most polluted river in this part of the world, the Rio Grande, the main thing I want you to remember, everybody says, well, we got all that pollution out of the United States, right? I just sit there and laugh at them. I say, fellows, have you all figured out which way the wind is blowing? It's on the border. The wind blows from the south most of the time.

Go talk to Maine, which has very little in the way of industrial capacity, but has acid rain coming at it from the west, from the States that have it. We didn't get rid of pollution. We just parked it overseas and had it blown back to us.

If I were Mexico, I would want this treaty ratified immediately. We need to be very careful to make sure that it is in our best interest also.

Let's look at a few facts.

We've got a new policy in our Government and that is doing non-strategic, nonmilitary things in secret. Our new health care system is not a nuclear weapon. But, yet, we have to do it in secret.

Now, interestingly enough, we did the NAFTA negotiations in secret and I think there are some lessons to be learned here. We negotiated in secret. You, the members of Congress, had to go to a secret room to read the agreement as it was being negotiated. Only a limited number of your staff could even see it, and all were pledged to secrecy. Now keep in mind, this is the U.S. side.

Now let's go to Mexico. Everybody in Mexico had access to it. A who's who of Mexican industry, and never forget that 36 people in Mexico own 54 percent of the gross domestic product in that country. And those are the people who recently were asked to cough up \$25 million apiece for the president and party. And I'm still not clear on what that was for. But let's assume 30 had done it. That's \$750 million.

Well, one of these fellows is not completely slow. He leaked it to the press and they had to pull it back. So he saved himself \$25 million on that one.

[Laughter.]

But the point is it was wide open in Mexico. Everybody was on the inside. And I'll tell you who was on the inside. All these former trade negotiators that the Mexicans have hired in this country. They had full access to it. But the American people, the taxpayers and the workers who are going to have to eat it, it was a secret.

When the negotiations were completed, the American public got a 43-page handout, not the 2000-page agreement. We got no additional information when it was signed. The complete text was not made available to the American people until January 20, and was

sold to them at \$40 a copy. You can get a commercial printer to print it for about \$5 a copy.

So I suggest to you that one of the serious mistakes we made was doing this in secret.

The appeals process outlined in this agreement has serious flaws and I hope we can discuss this in the question and answer period. I will not take your time now, but we will come to that later.

Let's contrast the burdens that businesses carry in our country. We're running a business now. You're paying your manufacturers ten times what they make in Mexico. The minimum wage in the United States is, as you know, \$4.25. The minimum wage in Mexico is 58 cents.

The single most expensive item in making a car in the United States is health care. No problem in Mexico. Our companies also spend a great deal on retirement, worker's compensation, life insurance, and many other benefits not available in Mexico.

The recently passed employee leave bill, while a very nice thing, adds to the cost of manufacturing. It's one more reason to head south.

The strikebreaker bill will be one more reason to head south. I just marvel. You've got a different set of strikebreaking rules down south. I'll get that to you in a minute.

See, we all believe strongly in our employees' rights, and we're going to talk about how it works south of the border. Now if all you want to do is make money, I'll give you some more reasons to head south.

At this point in time, we've lost so much manufacturing work, that we have fewer manufacturing workers in this country than we have Government workers—that's city, county, State and Federal. Now there's a paradox for you for the world's greatest superpower.

Because of our policies in this country, the top job growth categories in the 1980's were—now this is America. Keep in mind, all these folks that come to you and say, oh, we'll build the industries of the future. We're going to have all these high-tech things.

Everybody in this country does not have a Ph.D., folks. Think of all those 55-year-old folks out there on the assembly line working third shift at General Motors, good people, Ford, Chrysler, you pick anywhere you want. Good, honest, decent, salt-of-the-earth people. Most of them served in the armed forces. They paid the price for being a citizen in this country. But it is not easy to retrain them for some advanced technology and in the real world, we are not the driving force in these advanced technologies, anyhow.

So what's really happening?

The top job growth categories in the 1980's in our country were janitor/cleaner, food preparation worker, and cashier. This is honest work, but none of these jobs pay enough to support a family. That's the reason we've got so many two-income families. You've got to have both parents working to pay the bills.

The Mexican trade agreement is not unique. We have a history of one-sided trade agreements, where our Nation and the people are placed at a distinct disadvantage. Entire industries have been lost overseas as a byproduct of these agreements. Companies, cities and regions of the country have been damaged.

On a personal level, it's devastating. Let's look at it for a minute on a national level.

We cannot pay our bills. We know that. We cannot balance our budget. And we cannot pay down our debt if our worker base is deteriorating.

Everybody says, tax the rich. I've laughed at them for years. I said, take it all. I was just bluffing, but I wanted to make a point.

[Laughter.]

Here's my point. You can confiscate the Forbes 400 wealth. Take their cats, take their dogs, take their limos, take everything. Just go clean everything out. And you can't balance the budget for 1 year.

Lincoln said it all. God must have loved the ordinary people because he made so many. They are the tax base. Now if they are working at good jobs, we have a good tax base. If we are deteriorating their jobs, we have a terrible tax base.

Once again, the Mexicans have out traded us. Now if you look at these old trade agreements, we have people negotiating with us that know how to negotiate and we send people over that blew up balloons in the last election in some cases in the past. You had to find a job for the guy. He was an advance man. So you made him a trade negotiator.

Now if he's two or three elections back, he went from a balloon blower to a trade negotiator, to now, he's a foreign lobbyist making \$300,000 to \$500,000 a year shipping jobs overseas. This works to the disadvantage of our people.

They know how to negotiate. We don't. It got so extreme one time that the Japanese—and I'm just a businessman sitting in Texas—sent a senior official all the way across the Pacific to see me. He sat down in my office and he said, why do you send boys to negotiate with us? I said, what do you mean? And he pointed out that they had just finished a negotiation. A who's who of their industrial leaders in that industry had put together the plan on their side. They had staked out an extreme position, which a good negotiator does. These young people came over. They wine and dined them, took them around Japan. They bought the extreme position. And the Japanese came back and said, look, this will create stress between our countries. They expected more out of that than this. They expected a little give and take.

Some of the best negotiators in the world are the Arabs. Now, in our country, if you were looking for a camel in the middle of the desert and you finally found a three-legged, one-eyed, 40-year-old camel tied next to a tent, you get out of your jeep and say to the Arab, I'd like to buy your camel, his first statement would be, it's a member of the family. It's my child's pet. I couldn't think of selling it. He's starting the negotiation. The American would get back in the jeep and head for the next camel, right?

We are getting skinned on negotiation and I think if we gave Academy Awards, the Mexican trade agreement is our all-time loser so far. So I guess my advice is go down where people still negotiate and try to find some.

Now, you say, well, the impact on this whole thing by foreign lobbyists is just bizarre. Let me just give you a couple of examples.

Only in America right now, as we're getting ready to sign the NAFTA agreement, the Wall Street Journal talks about on March 22, we're getting ready to bring a Mexican lobbyist into a senior position as a trade negotiator. Yesterday, he was on the Mexican payroll. Today, he's on ours.

Then, a little later, on March 23, they come up with another one. Nominated for a senior trade post, and he has clients in Mexico, Canada, and Japan.

Now, this revolving door situation here has very, very serious problems, and I don't have to tell you, we have a Secretary of Commerce who was a foreign lobbyist just before he got his job.

They're all good people. This is just the way business is done inside the beltway. But I can tell you, out where the rubber meets the road, people don't dislike it. They hate it.

You say, well, how do you know that, Ross? I spend all weekend, typically, six to seven different places, typically with crowds from 2,000 to 8,000, visiting and listening to people across this country.

And if you want to see a crowd react, you get into this situation of foreign lobbyists working in our Government and then shifting sides and then coming back, and then shifting sides, and then having presidential campaigns run by people who are still being paid as foreign lobbyists. The American people don't like it and they shouldn't.

The government of Mexico and Mexican corporations have 78 contracts with United States lobbyists and public relations organizations to get this thing rammed through. The government of Mexico and Mexican corporations will report lobbying expenditures of roughly \$25 million for 1992 and 1993.

Among those lobbying on behalf of the Mexican government are two former U.S. trade representatives, a former undersecretary of commerce for international trade, a former undersecretary of the treasury, two former deputy U.S. trade representatives, and a dozen lesser former officials of the U.S. Government. That's one of our problems right now.

You say, well, how can a company in the United States, with all the burdens, requirements, and minimum wage, compete with 58-cent-an-hour labor? It can't. And if you say, well, Ross, how do you know that? I say, take World Trade magazine. I'll get you all to hand this out to members of the committee so they have a copy.

Can I get you all to do that, this magazine right here. The press will probably want some copies. Just work off this stack until you get rid of all of them.

Now, let me just, so that the whole crowd can see this, here's a headline. Here's an ad in one of them. "I can't keep my labor costs down. My turnover rate is low. And my standard of living high."

That's my standard of living. This guy is talking about his standard of living now, OK? Not his workers' standard of living.

"Yes, you can, in Yucatan."

[Laughter.]

The CHAIRMAN. Say that again. Let's hear that again.

Mr. PEROT. "Yes, you can, in Yucatan." Yuck-atan, I guess I ought to say.

Labor costs average under a dollar an hour, including benefits, and the employee turn-over rate is less than 5 percent a year. Only

460 miles and 90 minutes by air from the United States. You can save \$15,000 per year per worker. And on and on and on.

That's one. It gets better.

"I can't find good, loyal workers." This is a U.S. executive here, scratching behind his ear. "For a dollar an hour within a thousand miles of here." You can't live on a dollar an hour in this country. "Yes, you can, Yucatan." We're only 460 miles, the same, dollar-an-hour labor, so on and so forth.

Now here's a guy who's got his suit on, got his striped tie on, got his glasses, got his hand on his forehead. All of these are American executives.

It says, "You can't cut labor costs 300 percent in 90 minutes." "Yes, you can, in Yucatan."

[Laughter.]

Same message, dollar an hour.

Now, folks, in plain Texas talk, that's about as clear as I can make it. And that's what the game is all about.

Capitalist or investor's view of this agreement can best be summed up by—they couldn't have given us something better to look at than this. This is the capitalist view of the whole thing. This is how you make money on this deal.

An outfit called AmeriMex, which was created by Mexico's largest state-owned bank, and the Warwick Group, an investment banking firm in New York, created a fund to buy American companies and ship them south.

Here is the prospectus. Can I get you all to hand this out to the press, or just keep handing them out to anybody that wants them until they're gone.

The stock of these companies, manufacturing companies that are labor-intensive, marginally profitable. Stock can be purchased cheap because they're not making much money. You move the manufacturing operations to Mexico to take advantage of the reduced labor costs and to quote from the prospectus, "We estimate that the manufacturing companies that experience fully loaded gross labor costs, in the range of \$7 to \$10 an hour in the United States.

Now that's a long way down from Detroit. We're way down here when you hit this range. You may be able to utilize labor in Mexico at a fully loaded gross labor cost of \$1.15 to \$1.50 an hour. This could translate into annual savings of \$10,000 to \$17,000 an employee. This is in the range of the guy here in Yucatan that says you can do it for \$15,000.

The stock will be purchased at a low price and can be sold at a dramatically higher price as a result of moving the labor to Mexico.

Here are the characteristics of the companies that fit their prospectus that they're going to buy. Low- to mid-range, technology manufacturing, moderate to good growth, sales in the range of \$10 million to \$100 million, excellent management and sales teams, proven products, a labor component of 20 to 30 percent of the cost of goods sold.

U.S. companies meeting these criteria employ—hold onto your hat—how many companies in our country fit these criteria? They employ 8.6 million workers, of which 5.8 million are production workers that could head south.

The U.S. payroll for these production workers that could go south is \$138 billion a year. Using the AmeriMex guidelines, 2.9 million manufacturing jobs are at risk, in just the 19 States represented by the Senators on this committee. Just your States.

Now I've got it all right here, but it's in this book. So if you guys will hand that book out right there. But I've got your 19 States right here, and I'll just pull a couple just to give you a sense.

According to the guidelines in AmeriMex, Alabama could lose 140,000. California, 1.2 million. California is very, very vulnerable to this sort of thing.

Just before our last President went out of office, I got a call from the textile industry. We were about to export 1.4 million textile jobs overseas for diplomatic reasons. To make a long story short, it didn't happen, thank goodness. But who would have been hit the hardest? Los Angeles and New York City. You say more than South Carolina? Yes. They would have been the two hardest hit.

Let's go on down to Colorado, 62,000. Florida, 268,000. Illinois, 465,000. New York State, 408,000. Texas, 371,000.

Now everybody in Texas just thinks NAFTA's going to be the greatest thing in the world. Just stick with Joe Friday. You remember when he'd say, just the facts, ma'am?

Here is what these guys are raising money for. Here is what people will spend money for. If you just wanted to make money and you knew NAFTA was going through, I'd say, go ahead and invest in this because it will make you a lot of money.

The next thing you might say, OK, you gave us the payroll for the manufacturing jobs. That's \$138 billion. Now the administrative and sales jobs, the entire payroll for these companies that meet these criteria is \$256 billion a year, and that is roughly equal to the current gross domestic product of the whole country of Mexico. So, following this criteria, you could double their gross domestic product, particularly if you move the whole thing down. But you can make a tremendous impact just moving manufacturing.

You say, OK, if we lose production to Mexico and we close the plants, but we keep accounting and sales administration up here, our United States Labor Department will not count these as plant closings.

Now this is the odd way Washington keeps books, even though the plants were closed. And my comment to that is, the Labor Department may not know, but the American workers who lose their jobs and their families will know. And I'll tell you one group in Government that will know—it's the Internal Revenue Service. They're going to really miss them because they won't be paying taxes.

Then you could say, well, Ross, these are all interesting, but could Mexico absorb that many jobs?

Please remember this number. The average age of the population in Mexico is 15 years old. It's a country with about 85 million people—and hold onto your hats—one million new workers come into their work force every year from the teenage population. In 6 years, they could absorb the 5.8 million production workers who meet the criteria, just by employing young adults alone. So, certainly, they can absorb it.

Then you say, OK, now, we're in this deal with you now. When are we going to be able to sell all this and make a lot of money? Well, right here in the prospectus, it says it will be within 3 to 8 years. That's what you call a quick turnover.

This is the 1990's version of the junk bonds of the 1980's, but it costs us millions of jobs, again, as the 1980's did.

You say, well, but will United States investors really invest in Mexico? Foreign investors, most of them United States citizens, they've invested \$1.68 billion into Mexico in the first 2 months of 1993. Yes, the money is going south.

Now the prospectus had to be withdrawn because it attracted so much attention, but they did us a great favor by bringing it out early. It's the most succinct summary you could make of the adverse impact of NAFTA on U.S. workers and the tax base.

We have another book here called "Runaway America," that I want to give you a copy of. It's right over here, folks. This is a must-read for your committee. It's a listing of the United States companies that have already gone to Mexico. You'll see, it's a who's who of industry.

We have another book, "Jobs At Risk—Vulnerable U.S. Industries," which I've already given to you.

Never forget the huge lobbying effort that Mexico is making. We have a former chief United States trade negotiator who has been retained by the Mexican government, who is being paid several hundred thousand dollars a year for his services. The New York Times had an extensive story on it recently, and they say they're going to be launching a strategy of being in every city and town in the country talking to the editorial boards of local newspapers.

The intensity of our campaign will be much greater than with fast track. Now keep in mind, the ordinary guy working second and third shift doesn't have anybody doing that for him. You have to do that for him.

This New York Times promotion, which I found fascinating, and in the Q&A period, I've done an analysis on it, if you want to get into it. This is nine pages in the New York Times. That costs at least \$440,000 and it includes—I love this. You'd think the Commerce Department's job would be to create and keep jobs in this country, right? See, right at the top, the Commerce Department, where we ought to be doing it, we're selling NAFTA right here. We've got the Secretary of Commerce's picture, the whole works, right there.

Now I'm sure he thinks he's doing the right thing. But I spent my life in business and I am dead sure he's doing the wrong thing and I'll debate anywhere, any time on it, and I don't think anybody would show up, because only in America would you ship these jobs overseas and then have programs in front of Congress to create jobs in the inner cities.

Many of these jobs going south, you say, well, that's low tech. But it's honest, good, decent work and it's the kind of job that you could put in the inner-city. It's the kind of job that's in inner-city Los Angeles, in inner-city New York, so on and so forth, and you want to be careful shipping them overseas. I don't understand this and I hope somebody will explain it to me while I'm here.

We're going to or have appropriated \$5 million of hard-working, U.S. taxpayer money for advertising to promote NAFTA. That makes no sense to me, that we would spend taxpayer money to destroy taxpayer jobs.

The Secretary of Commerce says that the money is part of the administration's "full court press toward having NAFTA implemented in January, 1994."

Well, here's what's the result of it. Mexico is rapidly becoming the newest American industrial belt. Mexican workers can match the skills of 70 percent of the labor force in the United States. And if that's true, I can hire 2-to-1 and I'm still just a little over a dollar an hour versus \$4.25, and nobody in manufacturing pays the minimum wage.

To maintain the low wages, Mexico has gotten commitments from business and union leaders to limit raises and, in fact, have cut wages. It will be years before the gap between American and Mexican wages narrows significantly.

Let me give you one company. Zenith has moved companies from Iowa, Indiana, and Missouri to Mexico. They now have 20,000 employees in Mexico.

Our United States automobile makers have 64 plants in Mexico and it's growing.

Let's just take an automobile engine plant. You've got 100 licensed engineers making \$1,400 a month, on average. A U.S. engineer just out of college makes \$25,000 a year. A Mexican just out of college as an engineer makes \$400 a month.

That's quite a spread.

Seven hundred production workers in this factory are high school graduates who make \$1.55 an hour. Their counterparts in Detroit make \$16 an hour.

Let's go just to a U.S. assembly plant in Juarez. They're making 58 cents an hour, minimum wage. The real salaries of Mexican workers fell 65 percent in real terms during the 1980's because of inflation.

So, all right, how do they handle worker relations? This is like something out of the 18th century. Here it is.

In one strike concluded in 1990, dozens of workers were shot and injured by state police. The plant was shut down, 2,000 workers were fired. And those who remained had a 45-percent pay cut, from \$2.64 to \$1.45 an hour.

If you don't like the strike-breaking law—let's just assume that you hate the thought—first, we shouldn't have strikes. We shouldn't have this. The winning nations have a unified team between—there is no management and labor. It's the team.

Go to Toyota. Look right there as you drive through the gate. This is the car capital of the world. Not Detroit. What do they have on the gate? Every employee is a brother.

Now with that spirit, you win. But let's assume you just don't like those guys in the factory. Well, you come down to Mexico and the police will take care of them if they ever get out of line, right?

Do we want to be a party to this? I don't think so.

Fourteen thousand factory workers were fired at European-owned plant, the union was dissolved, the former union leaders

signed a new contract reducing wages without ever consulting with the workers.

Do we want to be a part of this? It's up to you.

Mexican automobile assembly line workers now make 9 percent of the \$16 hourly wage of their American counterparts. Their daily wage does not cover food and housing costs for a family of five, estimated at \$15 a day.

Cars are shipped to the United States that compete with U.S.-made cars.

Now let's say you're Japan or Germany. Why would you build a car plant in the United States? You wouldn't. There's no disadvantage to being in Mexico. There's every advantage in the world.

Workers' compensation is limited to \$10,000. Death benefits are capped at \$6,720. Four employees who worked for a marine—now, think. We're out fishing. We've got a marine outboard that's made in Mexico. Just running along nice and smooth. But it would kind of break your heart if you realized that the people that built it had worked at that plant for 10 years and were still being paid 58 cents an hour. And when they filed a complaint seeking better conditions, they fired the people that signed the complaint and kept them minimum wage.

Blue collar jobs in Mexico pay only 3.4 percent more than they did 4 years ago, while inflation is 12 percent per year. So employees are losing ground.

To make a long story short, there's a picture in U.S. News and World Report, if you haven't seen it, you ought to see it. It shows a worker's home in the shadow of a big car factory. It is a cardboard and tin shack. And I will tell you later on about a Mexican worker who lives in a 10-by-12 foot shack who replaced a worker in Patterson, New Jersey, who had worked for 33 years and had finally moved into a modest 6-room house.

This is what we're doing to our people. But don't worry about it. We're going to create all kinds of new jobs in the United States building factories for Mexico and selling them machine tools. Now I want to meet the guy that said that because I've got a lot of stuff to sell him.

No. 1, if we didn't build the factory in Mexico and we built the factory in this country, we'd have the same jobs, right? We'd have the jobs building the factory and the jobs selling machine tools.

No. 2, why do you think they'll hire us to build the factory? Hire Koreans. Hire these people who go all over the world and work for nothing, assuming the Mexicans can't do it. But within 3 or 4 years, worst case, they'll be building their own factories.

Building buildings is pretty basic stuff. We'll say, but we'll sell them machine tools. Go through any big U.S. factory and see where the machine tools are made. Every name you see in Detroit is Oriental in those big, modern plants, right? They buy all their machine tools from Japan. They have wrecked our machine tool industry. And our Government held hands with them and hummed every step of the way.

Now let me finally put it into perspective. New York Harbor, where the Statue of Liberty is, where people came into Ellis Island and built this country, two principal exports out of New York Harbor today are scrap steel and scrap paper, going to Japan, and they

come back as Toyota cars and corrugated cardboard boxes, into which they've inserted sophisticated consumer electronics.

When you go home tonight, look at your TV, your stereo, your compact disk. It probably came out of a cardboard box that waste paper was shipped from Japan. Oddly enough, we're shipping U.S. trees from Washington State and Oregon to Japan as pulpwood and they make paper in Japan and send it back over here.

Now, wood is heavy. Paper is heavy. The Pacific is broad. What in the world is wrong? Why don't we make paper here from those trees? Where is the added value? In the finished product, right?

That's all I'm trying to say. So that machine tool myth won't stick to the wall.

In closing today my comments, and I apologize for taking so long, is just really about whether millions of Americans are going to have a job. You've seen the collapse of communities and factories already. You know the problems of retraining middle-aged workers.

The first rule of war is don't shoot yourself. Our trade agreements, including this one, violate that rule. We consistently shoot ourselves.

Finally, we can't even think about an agreement of this type because we're \$4 trillion in debt. You cannot implode the tax base for some economic experiment that anybody with common sense will tell you won't work.

Now I can tell you this. The American people don't want this. Don't want it. I know you spend a lot of time with them, but you have to work more here than I do. I have had the unique privilege of spending a huge amount of time with them.

They know this agreement is going to cost some jobs. The last time I testified on this agreement, they said I wasn't specific enough.

Masters of the Universe, you know, they come on Sunday morning, people that don't go to Sunday school and church.

[Laughter.]

So let me try to be specific. Just don't do it. It's not in our country's best interests.

Now I'll take your questions. Thank you.

The CHAIRMAN. Thank you very much. You've covered a lot of ground here and I appreciate your being specific. I appreciate all of the documents you've brought. I especially thank you for the "Jobs at Risk" analysis that's been done. I think to narrow this down State by State to what we're talking about in terms of risk is a very valuable breakthrough on this information. It cuts through the propaganda more effectively than anything else I've seen.

When you think about the size of the Federal deficit right now, the hole we're in and the difficulty of trying to get out of it, if we continue to reduce the size of our job base, and particularly these more valuable jobs, the higher value-added jobs, is there any way in the world we're ever going to be able to catch this deficit and bring it down if we keep losing jobs?

Mr. PEROT. No. What we've got to do is build our manufacturing base, No. 1, because it gives us the best paying jobs. No. 2, if we adopt what I call a philosophy of robber-baron capitalism, we're going to go to the cheapest place in the world and get slave labor.

Let's go to Thailand right now and have 11-year-old children who are almost starving make clothes. Now if you have not seen those pictures—you must see those pictures. You say, well, if they didn't have that, they would be starving. Well, the point is you can't be a party to child slave labor. And we are. You and I are probably wearing some of their clothing and don't know it right now because we tried to buy a bargain.

This is what's happening all over the world.

China, Most Favored Nation status. Give me that for a while because, then, maybe then we can have 40 miles of nonstop—well, that's a high price to pay for having had a guy be the first ambassador, is all I can say, because you've got 40 miles of nonstop construction both ways and most of that came out of our country.

And you've got people making clothes, prison labor. Then we caught them at that. Then everybody ran, duck and hid. Now they have those clothes shipped to Korea, put a Korean label on them.

It's the same old sham.

If we're going to the cheapest labor in the world, we'll go to Guatemala. They're making shirts down there, men's shirt, men's shirts in Guatemala, I'm sure some man in this room has got one on. They're paying people 20 cents an hour there. They pay adults 35 cents an hour in Thailand.

You can't run our country at the level we're running it.

Now if we're going to bring everybody down to the lowest wage level in the world, then we're going to live like they live. And in the meantime, Senator, here's a big one.

The American people have guaranteed just about everything there is to guarantee. We guaranteed the banks, as you well know. We guaranteed the savings and loans. We guaranteed the pension funds.

Interestingly enough, can you believe the working people's pension fund managers will put money into these deals? Sure. Good return. That's a paradox. For those who have retirement, they may live better, but the guys who used to have a job will never get to retirement. You see what I mean?

So we guaranteed the pension funds. We guaranteed the small investors on Wall Street. We've guaranteed the home mortgages. You keep imploding these plants, we're going to have home mortgages splattering all over the place. And on and on and on and on. We have \$15 trillion in Government guarantees. This is not a time to turn the economic lights out in this country. That's what we're doing.

Now, if you have capital and you just want to make money, you can play this global game. But if you want this country's best time to be in the 21st century, we'd better start rebuilding it. And you can't rebuild it without money.

You put your finger right on it.

The CHAIRMAN. I want to show you a chart here that relates to where we're starting from. This looks at our cumulative merchandise trade deficit just since 1980 when we crossed into this debtor nation status. But we're now well over a trillion dollars underwater in terms of this cumulative merchandise trade deficit.

But it seems to me, according to everything you've said today, is that this is just the start of this problem. If we go ahead now it

will cut the heart right out of this country in terms of what's left of our manufacturing base and the higher value-added merchandise jobs, because it's so simple to go across the border to Mexico.

You've got a minimal transportation issue involved. You've got these very low wages. You've got none of the labor protections and strikes that you talked about. There are really no environmental standards.

But this is where we, in effect, start from. We've already hurt ourselves dramatically. It's interesting. If you look just in this recession that started now almost 34 months ago, if you compare it to past recessions, from the beginning when you have job losses—this is the zero line and you go down into job losses. The blue line is the average of the last seven recessions. So you get out here 10, 12, 14 months, you bottom out, and then you climb out of this thing. And by the time you're out 24 months, you've got your jobs back and you're up in positive ground, you're adding jobs.

In this instance, for the first time since the end of World War II, we're getting the experience of this red line. We're not even back up, all these months after this recession started, to where we were when it started.

So we haven't even gotten the jobs back. And so, we should be up here, but we're now down here. It seems to me that a big part of this problem according to what you've been illuminating here today, and that is, these jobs are leaving the country. These folks aren't being called back because there's no job to be called back to. The plants are closing. The jobs are disappearing. The jobs are going to Mexico.

You talk about what's happened at Ford, Chrysler and GM. Upwards of 70 plants have been opened in Mexico and many more are going all the time.

This quote I cited before, they're talking about just one company producing 3 million cars down there. We've got an ad, too, that shows—just like one of these ads you've shown us here in terms of this handbook that they put out to advertise for people to come down there and move American plants down there—it says, an excellent NAFTA primer in English and in Japanese.

Mr. PEROT. Here it is. I would have brought you all one of these, but they're \$75 apiece. I couldn't afford it.

[Laughter.]

So my sense of humor, I decided to bring you one in Japanese.

[Laughter.]

Now the reason we brought you one in Japanese is to let you say, wait a minute. You mean the Japanese might go down there, too? Where would you go if you were the Japanese?

The CHAIRMAN. And you wanted a cheap route into the United States.

Mr. PEROT. You just want to make a buck. You're not worried about the American people. You're just trying to do bid-ness, as they say down in Tennessee, right?

B-i-d-n-e-s-s.

But the point is you go to Mexico. There is an English language version of this and I'll get it for you. But I think you might want this just as a keepsake, and I'll leave the Japanese version.

Now the Japanese, we should study the Japanese and put them under a microscope because these folks think 10 years ahead. As one of them said, in the United States, we think 10 minutes ahead. They figure out the industries of the future, and this is what we ought to be spending our time doing, not investigating what happened in Waco. You see what I mean? We'll stay tied up for a year on that. That's a tragedy and it's sad, but it's spicy news and this is kind of, you know, it gives you a headache to think about.

We'd really better dig into how they rebuilt that country.

If I had come to you in 1945—now I'm the forerunner of AmeriMex. I said, I want to create a fund to invest in Japan. You would have laughed me out of the room. You'd say, Ross, good gracious. The country is a mess. It will be 100 years before anything happens.

You say there's a guy named Toyota that used to run the car plant that's up in—he's a war criminal. They're holding him in the northern island of Japan. Won't even let him in the plant. And there's this really weird high school graduate wandering around the streets picking up scrap iron named Honda who wants to make a motor scooter. You want me to invest in that? No. And I can go on and on and on.

There's this kind of strange guy, Murita, who's a physicist who think he's going to do all kinds of things in electronics. He has an odd little company named Sony. You think anybody would buy anything from Sony? No.

OK. They laid out their plan. Now right now, they have a plan for all the advanced technologies of the future. It's a simple list. You could make the list. Anybody could make the list. Germany has a plan. A who's who of Europe has a plan.

Only in America do we not only not have a plan, but are we busy giving up those industries, the latest one being the airlines industry and the airline manufacturing industry.

And never forget, in Japan, they've made a McDonnell-Douglas commercial airliner that is comparable in quality to the one they make here, for half price. And that thing is in the air, folks.

Never forget that Airbus is owned by a consortium of European countries. And when you see these weird airline deals we're negotiating now, you're taking the airline manufacturing industry and starting to dismantle it.

We can go through integrated circuits. We can go through anything—I have to take you through integrated circuits, whether you want to go or not.

It's so simple.

When you create a new integrated circuit, there's a learning curve. The first ones you create are more expensive than the last ones you create.

So what did Mr. Murita and all those shrewd guys in Japan do? Once they got competitive, they started pricing them at the middle of the curve. Every U.S. company left our U.S. manufacturers—now keep in mind, I see the man periodically that holds the basic patent on the integrated circuit. He's still alive in Dallas—Jack Kilpee. They just started in the center of the learning curve and blew us out of business. And when they got us out of business, and all the companies that made the equipment to make integrated circuits

were on the rocks, they bought those companies and either took them to Japan or just dismantled them and got rid of them.

Now this is hardball capitalism. And we were sitting there cheering them along every step of the way.

The interesting thing is we just approved letting the Japanese buy a company that makes some very sensitive piece of intercontinental ballistic missiles. It's the only company we have that can do that. It's owned by Japan. That comes within 5 years after "The Japan That Can't Say No," the booklet where one of the people in the book said, we, the Japanese, are the military superpower in the world, not the United States, because only we can make the integrated circuits that guarantee the precision of your intercontinental ballistic missiles. And without us, you don't have them.

Now, then, what have they done in their 10-year plan?

They just got over and got the company that did something else. Instead of spending a zillion dollars on defense, they can control and manipulate defense and make money in the process.

Who's winning? Who's losing? Who's smart? Who's shrewd? Who's stupid?

If you get rid of this foreign lobbyist consortium in this town, we're going to keep this up, folks. It is the biggest game in town and anybody that's here that looks forward—I don't care how honest, ethical, decent they are, a young person looking forward saying—and keep in mind, we allow the staff members to be wined and dined by the Japanese, by the Germans, by any foreign country. We've had staff members flown down to Mexico for a tour, et cetera, et cetera, et cetera.

All of this must be stopped. The simple way to stop it is to get rid of the foreign lobbyists. I know that's a sensitive point in this town, but when you get out where the rubber meets the road, that is at the top of the reform list—no foreign lobbyists at all. And make it a criminal act for anybody to be involved in that activity.

Well, you say, there goes the legal profession inside the beltway. That's their problem. I'm sorry.

The CHAIRMAN. Senator D'Amato.

Senator D'AMATO. Ross, you have been very clear in answering that question whether or not NAFTA will result in the loss of more jobs. You've been unequivocal in that. But we see a dissipation of jobs, in any event, without NAFTA.

What would you recommend, what policies would you recommend that we should change to attempt to deal with that erosion of the industrial base here in America to keep the hemorrhaging of jobs going offshore?

Mr. PEROT. I'd do the same thing I'd do with a patient that comes into the hospital that's bleeding internally. I'd figure out why. Doing a diagnosis is unthinkable in our country. You say, gee, why is this happening? We can't let this happen. And then when you start—and you don't even have to have a task force in secret. Then let's not do the typical Washington thing of say, well, we couldn't have anybody that ever built or understood a business around this because that would be a conflict of interest.

So we get beekeepers and poets and philosophers to form our task force and then we're shocked that they don't come up with a solution that works.

My point is you'd better get some people around, and there are wonderful people in this country. I can give you a list. Jim Burke, retired chairman of Johnson & Johnson; Don Peterson, retired chairman of Ford Motor Company. I could go on and on and on and on, of people who could make an enormous contribution. And what they're going to tell you is something a lot of people inside the belt-way don't want to hear because it's an industry. They're going to tell you that if you keep breaking business' legs all day every day in this country, it is tough to do it.

Let me give you an example.

I give the Federal Government of the United States full credit for the damage and the downsizing of IBM.

When I was a young man, IBM was like the Delta team—anywhere, anytime, get the job done. It was a special, unique experience in my life. I was with them for 5 years.

Then I had to compete with them, and it was like competing with Sherman tanks. I give all credit to my business success to the fact that you had to be tough to survive in that environment and they forced us to be pretty good.

Then our Government put IBM under consent decree. See, big is bad in our country. Big is beautiful in any other industrial country. We hated the fact that IBM was a success, kept them under consent decree for 25 years, gave everybody in that great company a perfect excuse not to perform and turned a world-class team into a world-class group of excuse-makers, and now we're downsizing, now we're having huge losses per quarter. Now we've had to turn over the top management, et cetera, et cetera, et cetera.

You say, well, but that's something we did a long time ago. Look at Microsoft. This is a leading—this is the industry of the future on anybody's list. It's in Washington State, where they're worried to death about running out of trees.

Well, now, isn't it neat to have an industry of the future in Washington State? So what are we going to do? Well, they're too big. They're too successful. We'd better get rid of these guys and put them under a consent decree. The Justice Department is working on them now.

I just can't believe that grown people in our country can be that destructive to our country's future because let's look at the founder and chairman Bill Gates' options.

What does he need in Microsoft? Bright people. Are the only bright people in the United States? Hardly. We've got the least effective public school system in the industrialized world, so he's got a lot of places to look.

What would a Ph.D. in mathematics cost him in India? With bad luck, \$800 a month. You can't get one at that price here. You say, well, gee, but if he's doing all the software work in India, can he get it around the world? Sure. You just satellite it around.

So if Bill Gates ever just decided to make money, he'll vacuum out Washington State and put the Justice Department behind him, go around the world and we'll have more people out cooking hamburgers third shift. But that assumes somebody's got the money to buy hamburger.

We seem to only be happy with low pay, nonthreatening service jobs—janitor, cleaner, food preparation worker. It's bizarre. We're going backward.

Senator D'AMATO. Do you believe that the agreement is subject to modifications that could make it acceptable and could provide benefits to our workers as well?

Mr. PEROT. No, sir. For example, I've got an inner tube here that's been patched 200 times. I'm your mechanic and I say, Senator, I can patch it for you again. And you look at those patches and you say, Ross, wouldn't it be better just to get a tubeless tire or a new inner tube. I say, well, yes, that's what you ought to do.

What we've got is a bad agreement. This administration did not create it. I think it's important to point that out. But they're stuck with it. It's one of these sensitive diplomatic things. And when diplomacy is involved, business is in jeopardy in this country.

With our industrial competitors who are successful, where business is involved, diplomacy is in the middle of it. This gets you to the cars, the trucks, all these things we talked about earlier.

If I don't answer, ask me specifically again.

The point being, we can't fix—this agreement is so filled with flaws. Let me just give you—I think this is important.

I've got a U.S. company. I feel I'm being treated unfairly. You put the NAFTA agreement into effect, OK? You say, OK, Ross, you've got an appeals recourse. Let's go through it.

I go to the U.S. Industrial Trade Commission and they rule that Mexican and Canadian firms are dumping goods in the United States and they're being subsidized by their government.

At that point, I've got a ruling. But then Mexico and Canada can request the formation of a binational panel. These binational panels take precedence over the U.S. judicial system and all of the binational panel rulings are final.

They're not composed of judges, but of experts appointed by the respective governments. The majority of the panelists must be lawyers. I find that amusing. A provision inserted by U.S. lawyers who negotiated NAFTA.

The panel is composed of five people. Each nation identifies two panelists and the four panelists select the fifth.

OK. Now I've got to go to that place. I just won at the U.S. Industrial Trade Commission. I've got to go to this panel now.

The U.S. panelists will be selected from a list prepared by the White House. In 1989, the White House identified 25 American trade experts, from which panelists would be selected. Of the 25 trade experts, 14 were either registered foreign agents—think about it. Foreign lobbyists are going to be on this panel to decide my fate—or senior partners in law firms that serve as foreign lobbyists.

Since 1990, the list of panelists—now that was reported and then it got real sensitive. So guess what? The list of panelists is secret. We can't know who they are because it's embarrassing to see. But everybody got his political back scratched on this deal. The Senate does not know who the panelists are. The work of the panelists is done in secret and its proceedings are not ever released to the public.

This sounds like some star chamber proceeding from a Third World country.

You say, well, can I appeal if I lose? No, there's no appeal. Under the terms of the agreement, U.S. citizens, companies and organizations are prohibited from testing the constitutionality of this panel process in our court system.

That right is limited only to the U.S. parties who are direct participants in a panel vote and they can appeal only under extraordinary circumstances.

In the event that provisions provided for these panels are declared unconstitutional, the President of the United States is authorized to accept the decision of the panel, anyhow, and ignore the Supreme Court.

Now if that's not unconstitutional, I don't know what is.

Any action taken by the President is not subject to judicial review and no court of the United States shall have power of justification to review such action. Executive Order 12662 stipulates that if the Supreme Court finds that the dispute resolution procedure in the agreement is unconstitutional, the United States will still accept all decisions of the binational panel.

We just ignore the fact that it's unconstitutional.

Now let me give you 4 years of experience. You say, well, Ross, that sounds pretty grim, but is it working?

Well, I'll let you decide.

Canadian interests have appealed the decisions of 15 rulings. Binational panels were created and 10 of 15 times the International Trade Commission rulings were reversed in favor of Canada. So 2 out of 3 we lose after winning in the first round.

U.S. companies have appealed three dumping decisions. Panels were formed in all three cases and the panel ruled in favor of Canada 3 out of 3. Now keep in mind the first time Canada complained, lost, and then won for the panel. Two out of 3, we complained, we lost 3 out of 3.

Of the 15 panels that reviewed these decisions, 10 had 1 or more U.S. panelists who was either a registered foreign agent or a law firm representing foreign interests. Here's the reversal rate of the ITC decisions. It's 2 out of 3 against the United States so far.

Now that's my most compelling argument. One of my most compelling arguments is the way it will cost the jobs and the labor differential.

See, Canada is an easier deal. The wage differential is closer. The labor practices are closer. But why in the world would we have all of our concerns about ordinary working people that have caused all of this legislation to make sure that they're treated with dignity and respect to be passed over the years, and then destroy their jobs and give them to a country where, if and when there is a strike—I said earlier, I was going to tell you about the Mexican strike-breaking law.

If and when there's a strike, they send in the state police, shoot 20 or 30 workers, clear the place out, get rid of the union, cut the wages, put everybody back to work. Now there's a strike-breaking law for you that's a contrast to the one we're considering, right?

I don't understand how we can live with both sides of the coin on this one.

The CHAIRMAN. Senator Boxer?

Senator BOXER. Thank you, Mr. Chairman, and thank you very much, Mr. Perot, for the material you gave us.

I'm looking at these ads that you showed us. And I can see another ad after NAFTA passes with an American family—a dad, a mom, a couple of kids—saying “I can't find a job for my family within 1,000 miles of here that pays more than \$1 an hour.”

Mr. PEROT. That's right.

Senator BOXER. Basically, that's what you're telling us.

Mr. PEROT. Let me just net it out, if I may.

Senator BOXER. Please.

Mr. PEROT. Let me give you a specific case because I think this brings it down.

There's a lady named Molly James in Patterson, New Jersey. She's the lady I talked about earlier that, after working for 33 years in an outfit called Universal Manufacturing—you don't have fluorescent lights here. We don't think a lot about the ballast—b-a-l-l-a-s-t—in a fluorescent light, but it won't work without it.

This lady had good, honest, decent work for 33 years making ballasts for fluorescent lights. She finally was making \$7.91 an hour. Her company was bought by the Drexell Burnham junk bond people in 1986. Drexell and its partners put the company heavily in debt, kept 37 percent of the company and paid themselves huge fees.

We just sat here and watched that and played Lawrence Welk music while it was happening—“Wunnerful, Wunnerful, Wunnerful”—while we did one of the dumbest things we've ever done in our country, the junk bond fiasco. The American people paid for that one when the banks and the savings and loans and all those things rolled over.

On June 30, 1989, the Drexell Burnham people closed the plant and moved it to Mexico. Molly was 58, was offered a job lifting heavy boxes. She couldn't lift the boxes. She lost her job and does not have a job as of several weeks ago. I just checked.

In Mexico, the plant was opened. A lady named Rosa Vasquez, age 26—now I just said something very important. Molly is 58. Rosa is 26. Everybody that opens a new plant in this country, that comes in from overseas—let's assume you build a car plant in the United States. Go look at the age of the workers. They're all in their 20's. They're young. They're healthy. Retirement is a zillion years off. The health care is down low, et cetera, et cetera, et cetera.

You go into Detroit and see these guys in their mid-50's that are working on cars. Their wrists are gone. That's the most common thing. I'm sorry the Senator is not here.

I was just talking about the wrists problem in Detroit.

The CHAIRMAN. Right.

Mr. PEROT. I was talking about the young worker you hire in a new plant. So anybody who just wants to make money, we've got Rosa here, 26 years old. Now Molly was making \$7.91 an hour. Rosa makes \$59 a week. That's with everything fully loaded. She has a husband and two children. She lives in a one-room, 10-by-12 foot shack. Molly had finally gotten a 6-room house, very modest. There's no plumbing in her house. There's no electricity. They

have one kerosene lamp. They have an outdoor toilet. There's no road to the house and chickens and pigs wander freely in the area. Everything Rosa makes goes just to feed and clothe her two children. These are people living like you saw people live in the Depression if you were alive that long ago.

Nobody will hire Molly. She has no health insurance.

You'd love Molly because when you talk to Molly, she doesn't whine, she doesn't complain. She makes it clear she's going to make it. God bless her, she's climbing the cliff, at her age.

Well, what happened to the company. We've got Molly out of work. We've got Rosa doing slave labor in Mexico. But what about the junk bond kings? Here's the rest of the story.

Profits soared after moving to Mexico. Does that sound like AmeriMex? The company went public. It had record profits in 1991. And Molly and people like her have the scars to prove it. The junk bond kings cashed in again.

Now the chairman of this company gets married pretty frequently and in one of his last divorce proceedings, they kind of outlined his net worth. His former wife described their life. Now please contrast his life to Molly's and Rosa's and remember where the tax base is—it was with Molly, not with the junk bond king.

The chairman lives in a \$4 million mansion in Bel Air, California. They took vacations in 1 year to Australia, Hong Kong, China, Japan, Paris, and London. They flew on the Concorde. They stayed in the best hotels and they ate at the finest restaurants.

Does this remind you of Marie Antoinette when she said, let them eat cake? You know what happened as a result of that. This is not the right thing to do. And I ask you this—is this 21st century capitalism? No. This is 17th century capitalism.

Is this anything our great country wants to be a part of? No. Do we want to be a Third World nation? No. Do we want to be a Nation that can't defend ourselves? No.

And if this is the future we legislate for our people, then I just have this to say—God help the ordinary citizen because he or she are straws in the wind. They cannot create their jobs, but they are the world's most productive workers right now.

Now isn't it interesting that our work force just won the Oscar for productivity and yet, our people are out of work and being downgraded into lower paying jobs because of bad Government policies?

Senator BOXER. Mr. Chairman, this has been my time and I have yet to ask a question. But I did elicit a very important, I think, statement from Mr. Perot. I wonder if I could ask my question.

The CHAIRMAN. Go ahead. Please.

Senator BOXER. Thank you. Mr. Perot, I don't know if you saw this cover story in Business Week, April 19, 1993. It's the "Mexican Worker—Smart, Motivated, Cheap and a Potent New Economic Force to be Reckoned With."

One of the arguments in favor of NAFTA that we hear repeatedly is that NAFTA will make Mexico wealthy and the people there wealthy and they'll be able to buy our exports. In any event, I would like to read you just one little paragraph and ask for your comment:

Traditional free market thinking embedded in NAFTA maintains that job growth in Mexico makes for a more prosperous region, while slowing migration to the north. That prosperity will increase the appetite for U.S. exports, thus preserving high-wage jobs in the United States.

But now, a growing chorus of NAFTA opponents argues that Mexico's industrial policy creates an unlevel playing field. With the government holding down salaries—

As you have pointed out—

And keeping a tight grip on unions, critics say, Mexico will suck in the jobs all right, but with wages held down, Mexicans can afford to buy little of what they make. That could spell delayed gratification for Mexicans and the U.S. exporters who await their prosperity.

Could you comment on this argument that pro-NAFTA people give us that the Agreement will be great because the Mexicans will be so wealthy and they'll buy our exports?

Mr. PEROT. Those arguments, as my grandson would say, are "bootiful."

Senator BOXER. Are, what?

Mr. PEROT. Bootiful. The point is, they assume—a lot of these studies they do assume full employment. We don't have full employment. They assume that the minute you lose a job, you get another comparable paying job.

So these studies done by economists, if you take them apart one by one, and at a later time, I can get organized and we can take them apart one by one, if we have to. But you put your finger right on it.

They're going to devalue the peso once this thing is done. That's going to tilt the deck even further in their favor. They are focused—let's go back to this point I made earlier. Thirty-six percent of the people own over 50 percent of Mexico's gross domestic product. Who's going to get rich?

The CHAIRMAN. Thirty-six percent.

Mr. PEROT. Yes. Those are the people they brought into the room and wanted \$25 million apiece from, because they'd done so much for them. And then one of them was shrewd enough to leak it to the paper, and they didn't have to write the check. So that tells you the Mexicans are not slow. At least the guy that writes the check is not slow.

But the point is the money is going to a handful of people. The money is not being distributed fairly and equitably among the work force. The people are being asked to work for next to nothing.

In a minute, I will dig this picture out of the living conditions of a Mexican worker right next to a United States automobile plant. It will break your heart.

Senator BOXER. So you don't think that the workers can afford to buy a great deal of exports from our country?

Mr. PEROT. I'm glad you pinned me down on that. Now, let's assume you and I are Mexican workers and something wonderful has happened and we've gotten beyond Rosa's state and we can buy something. We're probably going to buy a radio. That will be made in China, all right? And then we'll finally upscale a little bit and buy a TV. That will be made in China or Japan. Then, if we're going to buy clothes, which we'll be buying all along, those will be made probably in Guatemala, because that's one of the cheapest places to make clothes or you can make clothes pretty cheap in

Mexico. Then let's say we're ready to buy a car. Finally, we sort of hit our stride.

Next, we'd want a house, right? Now we've got our clothing. We've got stuff in our house. Everything we bought for our house is made in Mexico or somewhere else.

Then we got our clothing. That can be made in Mexico now, or somewhere else.

Now we're getting our house. That will be made in Mexico or somewhere else. And that will be built in Mexico by Mexican labor. Pretty simple. Now we're finally ready to make our first big purchase, a car.

All the car plants are in Mexico. What are we going to buy from the United States? Just say, OK, guys, give me the list of stuff they're going to buy.

Let's say they go to Tiffany's and buy jewelry. Well, that was made in Europe. That's just the 36 folks. Let's say, well, they can go to Aspen and ski. Well, we're back to the 36 folks again.

Now keep in mind, do we want to be in the entertainment—you say, well, they could go to Disney World. We're probably back to less than a thousand people that can afford that trip.

But the facts are we are not in the business of entertaining the world. We have got to go back into the business of being the leading manufacturer in the world with the words, Made in the USA, the world's standard for excellence. If I could have one wish for this whole group up here, I'd say, let's focus on that because then we get the pump going again and then we get people to work again and then the tax base is solid again.

We are a very caring, generous people and we want to do so much for so many people. But let's take the greatest person you ever knew, who was the most generous person you ever knew, and he went broke. He couldn't help anybody, right?

I challenge us to stay rich so that we can help people all over the world. We can't do as much for Russia now as we'd like to. But we want to and that's a wonderful thing in our country.

We can't do as much for people in Africa as we'd like to, but we want to. Let's get back to where we could. We used to be there. We can go back there.

Senator BOXER. Thanks, Mr. Chairman.

Mr. PEROT. And that helps our people, too. If you want to solve the problems of the inner cities, put people back to work.

Let's talk about inner-city jobs for a minute because I'm tired of the inner-city people being ridden hard and put up wet. Now that's a horse term. The least you can do for a horse after you ride him is wipe him off.

See, everybody rides the inner-city people, makes all these speeches and what have you, so on and so forth. But when the dust clears, we enact policies that make sure they have no chance. They have no chance.

If we want to revitalize the inner cities, we've got to put jobs there. And those are the jobs most vulnerable to going somewhere else around the world. And then to take taxpayer money to create a job that we just sent south, we ought to make that part of the trade deal. For every job they send south, they have to give us so much to create a new one, or something, because to ask the people

who still have a job to give up their money to create jobs that were lost because of bad Government policies, makes no sense.

The CHAIRMAN. Senator Faircloth.

Senator FAIRCLOTH. Thank you, Mr. Chairman.

Mr. Perot, you held up the Wall Street Journal and listed an article where the President had hired agents from Mexico who had been appointed into the Clinton administration. You didn't name them and I wish you would.

In the campaign, President Clinton was critical of having registered foreign agents involved as trade officials. Do you think the appointment of registered foreign agents is the kind of change we were led to believe we would see from President Clinton and the administration?

Would you name the people that you held up and what they've been appointed to?

Mr. PEROT. All right, sir. I like to stay out of personalities, but I'm your witness.

This Barshefsky, nominee for trade post, has clients in Mexico, Canada and Japan—B-a-r-s-h-e-f-s-k-y.

Tarullo—T-a-r-u-l-l-o—Mexican advisor on NAFTA, is expected to run the U.S. Trade Office.

Those are the two I held out.

The CHAIRMAN. Would you just yield, too? You mentioned a former trade ambassador that's been hired at some very princely sum per month. Do you recall who that is?

Mr. PEROT. Yes. That's the fellow that used to be a Senator. I think he was in the Cabinet at one time. He's from Tennessee, I believe. Roth? Is that it?

The CHAIRMAN. Yes. Thank you.

Senator FAIRCLOTH. Well, now, in the campaign, President Clinton was critical of having these registered foreign agents involved as trade officials. Would you care to give us your opinion on what's happening now and why it's happening?

Mr. PEROT. I think once you get inside this environment and you look at all the pressures that are on the President day in and day out, and you've got all these people that are working on his transition team who were foreign agents, and then you have this thing that came up, and this is one of my least favorite things.

Anybody that joins the President in his Cabinet has taken a pledge not to lobby for a foreign government for 5 years after he leaves. Now how many of you kept your New Year's resolutions? How many of you have known a friend that drank too much that said he wouldn't and started again? That's what a pledge is. A pledge has no legal recourse.

Now out where people work—one of my favorite places to go is up in Dennison, Texas. This is Eisenhower's birthplace. Everybody just works hard in Dennison, just plain Texas people, farmers, just working 9 to 5, just trying to make a living, in Dolly Parton's terms. They saw through that just like that.

And then, finally, one of them stopped me—this is the same guy that stopped me a couple of months earlier and said, Ross, did you ever know a rich economist? I said, why do you ask? He says, well, they're making all these theories and everything, but I'm just wondering if any of them ever got rich with their theories.

I thought, that showed an interesting insight from just a plain man. But then he raised this point. He said, what part of the lobbying money comes from foreign governments versus foreign companies and individuals? And I said, I don't know, but I'll find out for you.

Eighty percent of the lobbying money from foreign lobbyists comes from companies and individuals. He left the door 80 percent open. He probably didn't know it, but he did. And the American people are now figuring that out. They'd just rather say, just keep the game going. Don't con us. Don't manipulate us.

The biggest theme I hear is, for God's sakes, Ross, tell them in Washington, don't whitewash stuff. This was whitewash. I don't know if it was intended to be whitewash.

Sears, Roebuck has a new paint called Toughguard that lasts for the life of your house. People want lifetime paint. Don't give us whitewash. Give us the real thing. I'm not saying it will last, but at this point, I'm having it put on my house to see because it might last and that beats painting it every other year.

So the people want real solutions, not sham solutions. These reform bills going through Congress are a disgrace. This one that is going through that the New York Times had a leading editorial on, they called it "Indecent Disposal." And it's obvious what that title was a take-off on. It was on the movie, "Indecent Proposal."

But the point is this reform bill going through Congress was weaker than the reform bill President Clinton got passed when he was governor of Arkansas. It would be better from the people's point of view—just don't have reform. Look at them. Laugh at them. Say, suckers, we're going to stiff-arm you. Or give them real reform. They really want reform. There's no question about that.

Senator FAIRCLOTH. Mr. Perot.

Mr. PEROT. Yes, sir.

Senator FAIRCLOTH. I've been in business since 1948. Met a payroll every Friday since 1948.

Mr. PEROT. Right.

Senator FAIRCLOTH. Since 1960, I cannot remember a time that the U.S. Congress has convened and adjourned that they didn't go home and leave it more difficult to do business.

Mr. PEROT. Right.

Senator FAIRCLOTH. In one way or another, they increase the tax. They added one more rule, one more regulation. For 32 years that I have watched it, every time, it gets worse. Could you contradict the statement?

Mr. PEROT. No, sir. I support your statement. You're dead accurate.

Now, if your company's big enough, you can hire enough bureaucrats to fill out all those forms. But let's go back to when—see, I started by myself. Everybody thought my idea was so bad, nobody would lend me money or buy my stock. But I just had to try it. And thank goodness it worked.

But, see, I wasn't burdened with all the stuff that a start-up company would be burdened with today. The only money I had—we lived off my paycheck. My wife taught school and we never cashed her check, so we had money in the bank. And the young people sitting back there today, save money. Now that's

unfashionable in our country, but if you save money and pay for what you've got, when you get it, you don't have to pay interest.

We had that money in the bank. We used that. But I was free to spend my time building the company, as you were as a young man. Right? Now when I look at all the stuff that the small businessman has to fill out today, I just wonder why he even tries.

Senator FAIRCLOTH. So many of them aren't trying.

Mr. PEROT. Well, here's the good part, though. See, if you want to jumpstart our economy, and we all do, there's one way to do it and that's with the small businessman. Companies with 25 or less employees created over 100 percent of the jobs in the last 10 years, in spite of all these obstacles.

If we will ever set them free, if we will ever go back to some pretty basic stuff—but we will put a burden on every few months and then we do a trade deal with China, with Thailand, with Mexico, or somewhere there are no burdens and little wonder that these people finally either go out of business or go somewhere where there are no rules.

Now let's assume I'm making clothing in Los Angeles and you're just harassing me all day, every day. Let me give you an example.

There is a man who makes fashion-quality clothes in Dallas. He cares so much about his female workers, he pays them \$12.50 an hour. That's not bad for sewing. I don't know anybody else that pays that well. He cared so much about them, he let them work at home so that they could be with their children. And the Federal Government passed so many laws, he couldn't do that any more, so he took it all to Mexico.

I rest my case.

Now, I'm going to pass this around. This is my only copy. But this is the worker's home in the shadow of an automobile-making plant. This is in U.S. News. But you just start that around over there. I want you to see how the people live down south.

Now you think about that. That's the way our people would be living if they don't have a job.

Senator FAIRCLOTH. Thank you, sir.

The CHAIRMAN. Senator Campbell.

OPENING COMMENTS OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thank you, Mr. Chairman.

Last term, I was one—in fact, I was the only one from our delegation that opposed what was then called fast track. And the reasons really, most of them have been articulated by Mr. Perot. I got a lot of heat from the NFIB and from the National Chamber and from the National Retailers Association and many of the groups that wanted to see fast track proceed and wanted to see NAFTA proceed.

It became kind of, frankly, a major issue in my campaign last year. Fortunately for me, the Colorado Ross Perot organization endorsed me and helped me get elected. So thanks a lot. I appreciate that.

[Laughter.]

But I think you brought a lot of information, intelligent, well thought-out information, that many of us, very frankly, already

knew, or at least had a pretty good idea about it, based on some of the things that we've been hearing and reading.

Someone here on our committee can correct me, but it's my understanding that every foreign trade ambassador that is now retired, with the exception of Clayton Yeutter, every one for the last 20 years is now working for a foreign interest in one form or another. Clayton Yeutter was the only one and became Secretary of Agriculture and then ran the National Republican Party. But all the rest of them are working for a foreign interest.

It's also my understanding that over 100 foreign countries have full-time lobbyists in this town, and over 100 Japanese companies have full-time lobbyists in this town, hiring many former U.S. Senators and high-level administrative aides, and so on.

So I'd like to point out from Mr. Faircloth's statement that this isn't just a problem with the present administration, with President Clinton. This has been going on for a long time.

Mr. PEROT. Absolutely.

Senator CAMPBELL. And I certainly wouldn't want to imply that this has just come up with President Clinton.

Mr. PEROT. No.

Senator CAMPBELL. He may have appointed some people that needed to be researched a little better, but this has gone on——

Mr. PEROT. No, this is the way it's done. This is the way it's done. I think it looks normal here, but it doesn't look normal back home, right? When you go to Colorado, they see through it, don't they?

Senator CAMPBELL. I think many of us think it's wrong, grass-roots people and many of us in office here. But, frankly, I'm not a constitutional expert. I've heard people say, well, if you tried to put too many limits on what they can do once they're out of office or once they're out of the administration, that would be tested in courts and it would be declared unconstitutional because in America, you have the right to earn a living the way you want, and so on. I don't know what is going to happen if we put more restrictions on them.

But I would like to ask one just specific question on your feeling about NAFTA as it relates to illegal immigration.

In California, Arizona, Texas, New Mexico, we have, as you know, huge numbers of people coming north. They're coming north to try to find a little better lifestyle, to try to find jobs. It creates some terrific problems for us, as you know, coming from a border State.

I'd like to know how we try to stabilize the Mexican economy to create jobs down there so that we slow this illegal immigration problem and at the same time, don't export our factories and jobs down there. How do we help them so that we reach some kind of an economic balance and can move forward in some kind of interaction between the countries and manufacturing, without shooting ourselves in the foot in the process.

Mr. PEROT. All right, sir, let me take them both.

The constitutional problem in terms of getting rid of—now, in speaking for millions of people, and I know I'm speaking accurately. If I need to back it up, I can back it up. They want to get rid of foreign lobbyists, no ifs, ands, and buts. There are few things

more popular out there at the grassroots level, other than paying our bills, balancing the budget, and getting our country's financial house back in order.

There is zero interest in more fancy spending. You're sensing that, I know, when you go home.

Now, let's go to the constitutional problem of getting rid of foreign lobbyists.

I'd be glad to pay the lawyers. I will put together your plan that is absolute bullet-proof on that issue. That is the biggest—that is even bad whitewash. If that's the best argument they've got, these guys better start digging a deep bunker because that ain't no argument at all.

[Laughter.]

Now let me give you another one.

What if I had come in here this morning and said, it's the day after the war in the Middle East. No, I'm going to go to World War II because this is not fair to General Schwartzkoff. We're put it into an historical perspective. It's the day after the war, World War II, and I come before the Senate and I say, I feel it is my obligation to tell you members of this chamber that General McArthur has gone to work for the Japanese and General Eisenhower has gone to work for the Germans. What would your reaction be? Treason, right? Treason. Any question?

Senator BENNETT. I'd want to know what they were doing.

Mr. PEROT. No, no. To rebuild their military. To rebuild their military.

Senator BENNETT. That's different from the trade war.

Mr. PEROT. Well, could we stay on my question? Let's just stay this narrow.

Now isn't it interesting that we hold our military to this very high standard. Read about treason in the Constitution. It does not say military treason. Treason is just a word. Now I consider this economic treason. You may disagree with me and that's the great part about a free society. But I think it's obscene for a former President of the United States to go to Japan, make two 20-minute speeches, put \$2 million in his pocket, and collect several million dollars for his library.

That sends a signal to everybody that's still back here working, every staffer, every elected official, every career employee. Don't punch these guys around. They may invite you over some day.

Now, at a lower level, the staffs get sent over, different people get different things. Now, then, look at what the average citizen coughs up every year to keep a former President living in regal splendor in our country surrounded by security. Look at the retirement plans of our former Federal officials. They dwarf those of the people in the private sector. We have created all of that so that they never have to compromise. Then they go right out and cash in.

Now, maybe up here, it's all right to come up, get the credentials, get the insight, get the contacts, be paid a premium while you're here.

Look at what percent of your constituents make \$133,000 bucks a year. Almost none. Look at which of your constituents have your retirement plan. Almost none. And then, when you leave, go in for

\$300,000 to \$500,000 a year as a foreign lobbyist and ship jobs overseas.

I don't think you'll ever educate the working American that this makes sense, that this is a person—I've heard the arguments. Gee, Ross, we have to make a living. Well, so does a bricklayer. We all have to make a living. But it's really important that the people who are here in Washington set the highest standards of ethical behavior for our country.

Let me give you one closing comment on this.

If a police officer goes to a 7-11 store and picks up a package of gum, we'd fire him, discipline him, and lord knows what else. We hold him to a very high standard of conduct. And yet, we can have a senior member of Congress accused of taking \$55,000 worth of stamps and turn them into cash. And that's just a congressional privilege. Do you think that sells down where the rubber meets the road? No. No, it won't.

How do we stabilize Mexico? I think we start with a blank sheet of paper, start with a new trade agreement. I have ten principles I would suggest.

Number one, it's got to be good for the American economy and it's got to stabilize the jobs, wages, and benefits of American workers, or we can't be a part of it.

Number two, Mexican workers' wages are going to have to go up, or it will never work. The Canadian trade agreement will work because our wages are about the same. We cannot make Mexico an export platform into the United States for nations all over the world because of its cheap labor.

We will not violate the sovereignty of either nation.

These side agreements where we're going to have people going down and checking the rivers and checking the pollution and checking the union laws, do you really think the Mexicans are going to let you do that after you sign these agreements? No. You know how sensitive Mexico is to its sovereignty.

We don't lessen the legal constitutional rights of U.S. citizens as we have in this appeals agreement.

We do not diminish the health and safety of either nation, as we are in this agreement.

We do not diminish the environment of either nation. And we are certainly diminishing theirs and it will diminish ours because the wind blows from the south.

We have an agreement that is enforceable. It is negotiated and administered with complete and ensured integrity in the open, not in secret. It's a part of a coherent, long-term, U.S. trade strategy. I should have said that first.

Now we tend to do something here, something here, something here, something here, something here, and then we look at all the pieces and they didn't work.

Study MITI. I beg you to study MITI. I had the privilege of spending a day in MITI. Their best and brightest students in the university, the highest honor you can have is to go to MITI. And boy, are they doing their homework.

Now, interestingly enough, they had put my company under the microscope because they considered it an industry of the future, which they didn't have anything. Then, when I got there, and I was

in Japan for another reason. They invited me over to spend a day with them. They wanted to pick my brain, whatever was left.

They knew more about my company than I did. They just did their homework. This is the long-term, coherent strategy. Pretty basic stuff, right?

Now, here's the fascinating thing. They decided, well, let's go into this business. Then they said, well, gee, who is the best person in our country to put us in this business? And they found a young—now this is working the problem. This is not putting out \$12 billion to create a summer job or one job for one person for 1 year. They're getting ready to play hardball for the long term.

They found a young man who studied economics in Berkeley who was Japanese. But while he was there, he had the idea for the palmtop computer, the little computer that fits in your hand, folds open. He was studying economics. He was not an engineer, but guess what he did. He hired the engineering professors at Berkeley to develop it for him. Then he sold it to a Japanese company and when he had his bachelor's degree, he had \$5 million.

Then, while he was over here, he said, gee, we've got all these computer magazines in the U.S. We don't have any in Japan. I'll get the rights to them and translate them into Japanese. He had over 50 percent of the computer market magazines.

Then he saw all this software that Microsoft and all these companies were developing. They didn't have that in Japan. He got rights to a lot of that, translated all that in Japan, and had over 50 percent of that market.

Well, they found an entrepreneur, right? And he was their designated hitter. Then guess what they did. They gave him four mentors. Now think when you were a young man, if you had had this.

They gave him Mr. Honda. He could see him one night a month. That's the founder of Honda. He could see Mr. Murita, the founder of Sony, one night a month. He could see Mr. Eto, the man who bought the 7-11 stores in this country, one night a month. And he could see Mr. Sabbe, the chairman of Oriental Financial Services, one night a month, and they were his coaches.

Just think how many broken legs you and I could have avoided as young men if we had had old gray lives—they put the pieces together and now they're marching across the desert to build an integrated systems company. I can hardly wait 15 or 20 years from now to see what they've done. But that's a coherent plan, right? I don't even hear people talking that way in our country.

Senator CAMPBELL. I'm not sure if you got through all of your ten points or not. I kind of got lost.

Mr. PEROT. Yes, sir, I did. I covered all ten. If they're any good, I'll give you a copy.

Senator CAMPBELL. I'll tell you, very clearly, up until just recently, and maybe in some circles still now, to implement those, we'd take a beating like you wouldn't believe, being accused of being protectionist.

But I've travelled a good number before I ever got into public office and spent 4 years in Japan, worked for a Japanese company, speak Japanese.

Mr. PEROT. Right.

Senator CAMPBELL. And I know there's a different mentality. When you talk about balance and free trade and all this other—these words that are bandied around, there's no question in my mind that government is an equal partner in helping Japanese industries, where we often are at the other end and are the stumbling blocks for American industries.

Mr. PEROT. Absolutely.

Senator CAMPBELL. And I saw that in the years that I lived in Japan. But I think that it's really being naive now to think that there is such a thing as free trade. Free trade in Japan and many countries means we win, you lose. That's free trade. And fair trade means the same thing—we win, you lose. It's a different semantics, believe me.

I know that one of our mistakes is not just Government. It's also in our industry. It seems to me that we put so much emphasis toward quarterly profit margins and satisfying the stockholders and not enough, as they do in Japan, in laying out a 20-year plan, as they do, and what's good for the Nation as it relates to their company. We tend to think, what's good for our company and the heck with everybody else. Somewhere along the line, we've got to get over that from a Government standpoint and an industry standpoint, too.

But I certainly appreciate your testimony and found it terrifically enlightening. Thank you.

The CHAIRMAN. Let me just say, because I'm a little sensitive about getting all the members in in the time we have here, and I don't want to interrupt what you're about to say, but I want to get to Senator Bennett.

I do want to take you up on your offer to draft the legislation that will meet the test of the Constitution to deal with this foreign lobbyist problem.

Senator CAMPBELL. Was that to pay for it, too, Mr. Chairman.

The Chairman. He volunteered.

Mr. PEROT. Absolutely.

The CHAIRMAN. He said he'd draft it and it would stand the constitutional test.

Mr. PEROT. We'll have a who's who of the constitutional lawyers.

The CHAIRMAN. And I appreciate the offer and I accept it.

Mr. PEROT. They can do that while they're taking a nap because it's not an issue here.

The CHAIRMAN. Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman. I'd like to get back to NAFTA for a minute.

You've given us a lot of interesting information and handouts. I think the main message of this ad is that the factories are already there in Mexico. Much of the material that you are complaining about is a little bit after the horse has left the barn and you're securing and hammering on the door.

In my opinion, the factories are in Mexico now, the production is coming out of Mexico now, and NAFTA is about markets, not factories. NAFTA is about opening markets in Mexico for American goods.

You said to us, give me a list of stuff that they'll buy from us. I refer you to the latest edition of Fortune magazine, in which you

find, among other things, this interesting comment. Virtually every serious effort by economists to model NAFTA's effects has concluded that freer trade between the United States, Mexico, and Canada will lift all three economies. For the United States, it will mean adding roughly \$30 billion a year to GDP once the treaty is fully implemented.

And that statement is next to a picture of a factory in Mexico, the caption of which is—If NAFTA passes, Ford would likely shift production of Mercury Cougars from its Mexico City factory to a far more efficient plant in Ohio.

The list of stuff you asked for is on the next page. Let me summarize it for the group.

What the treaty will do for 12 U.S. industries, agriculture—it lists current exports at \$2.9 billion a year. It says that that will rise over 15 percent. Automobiles and trucks, automotive parts, chemicals, computers, household appliances. In every case, they will go up billions and billions of dollars as the Mexican market is opened up.

The factories you decry are still there.

NAFTA's so-called—this is in the automobile industry—NAFTA's so-called rules of origin will be a boon to Allied Signal, TRW, Dana, and others, in the struggling—this is the key word for our Chairman who comes from this part of the country—the struggling \$100 billion a year U.S. auto parts industry.

The treaty requires that 62.5 percent of a vehicle's content must originate within the region to be counted as a North American-made car and thus, avoid higher tariffs. It's expected this will gradually encourage some small car production and thus, parts-supplied business to move from East Asia back to North America.

But won't United States parts makers migrate to Mexico to avoid losing ground to low-wage competitors there? Not likely. Mexico's 600 or so, parts-suppliers cannot begin to match United States efficiency. And since wages account for less than 15 percent of production costs, often less than the cost of transporting the goods, few United States auto component companies see a need to move. Says Dennis Gormely, CEO of Federal Mogul, a parts-supplier with plants on both sides of the Rio Grande, companies that can't compete in the United States will find no safe haven in Mexico.

Now, the material that you have given us, I've been going through with great interest. This is your publication that you handed out to this group. Let me quote from the publication. Quoting from, first, the beginning, it talks about trying to get information about NAFTA, and it says, from U.S. Labor Secretary Robert Reich, we got butkus—a Jewish word, as you know, for nothing, possibly because his green, befuddled staffers didn't understand the question or were too busy mimeographing AFL-CIO organizing flyers.

U.S. Trade Representative Mickey Kantor's people were somewhat better, although an aide pointed out that Ambassador Kantor hadn't said much about trade lately. So they went to the CEO's, the people you have quoted to us as the people who really understand, and here's what they say out of your publication.

Thomas Walfin, chairman and CEO of Pinkerton Security. He says, I was encouraged to see that President Clinton seems to favor

NAFTA. I hope we won't lose the good work and momentum we've built up over the last 2 years. The treaty can only be to our benefit.

J. P. Barger, chairman of Dynatech, with 3,000 employees, \$480 million a year in sales. One aspect of the NAFTA debate I'd like to address is the misconception regarding wages. There's a pernicious fallacy running throughout the debate that says cheap Mexican labor will suck the life out of American manufacturing.

But if you look at history—interesting, you've picked the same analogy in your testimony here—after World War II, there was a significant disequilibrium between the wage rates of the United States, Germany and Japan, between the conquerers and the vanquished.

He goes on to discuss the history and he says, my sense is you'll see wage parity between the United States and Mexico in approximately a decade if NAFTA is ratified.

Richard Snyder, chairman, CEO, Snyder General Corporation, Dallas, Texas—you probably know him. He comes from your area.

Mr. PEROT. Never heard of him.

Senator BENNETT. 6,700 employees, \$800 million in sales. He says, we do not view the availability of relatively cheap labor as a competitive advantage for Snyder General. Our products are material-intensive, with low direct labor content, 5 to 9 percent of cost of sales.

If relocating—and here's a quote I think we can all conjure with—if relocating certain manufacturing facilities to Mexico would have been a major opportunity for the company, we would have done it previously. He's talking about opening markets and said it will help.

Dave Miller, president, CEO, of Biomed in Warsaw, Indiana, 1,700 employees, out of the magazine you've given us. He says, much of America's resistance to NAFTA has come from organized labor, and those who suggest that American jobs will be lost, especially to Mexico.

This argument holds little water when one considers the immigration statistics from the 1970's and 1980's. Then he goes on, through those statistics, the time is up, I'll quote his conclusion—most of these immigrants came to America to fill our lower paying, unskilled jobs. Therefore, millions of lower paying, especially manufacturing, jobs have already been lost to Mexico.

The point I'd make, Mr. Chairman, is the point I made in the beginning. The factories have already gone to Mexico. The jobs that are going to be lost to Mexico have already been lost to Mexico. And I am in favor of NAFTA because NAFTA is not about transporting factories to Mexico. That's already happened. NAFTA is about opening markets in Mexico for American goods that need to be sold there.

Thank you.

The CHAIRMAN. I'd like you to go ahead and respond to what's been said here. Take the time you need to do it.

Mr. PEROT. Well, number one, we've just begun to lose the factories. There are factories in Mexico. But what I would call, this is a minor fingercut compared to what's going to come after NAFTA. So the real flow of factories to Mexico will occur after NAFTA.

Second, I am not at all surprised that people who are in companies who intend to build factories in Mexico after NAFTA are promoting NAFTA, the president of this and the president of that, so on and so forth, the business roundtable, because they're attracted to the cheap labor.

I am a businessman. I am a capitalist. I am a person who runs companies. I am just weird. I am a person who cares a lot about the people in the companies. Interestingly enough, that's the reason I have my net worth. They gave it to me because of their great work.

Senator BENNETT. Are you implying that these executives don't care about their employees?

Mr. PEROT. I can give you a long list of people who just—no. I've sat in the board meetings.

Senator BENNETT. I want these executives I've quoted. Are you implying that they specifically do not care about their employees?

Mr. PEROT. First off, that's not my magazine. You kept saying, my magazine.

Senator BENNETT. You gave it to me.

Mr. PEROT. But only in Washington do you take that and twist it. It's not my magazine.

Senator BENNETT. I didn't get it any place else.

Mr. PEROT. You talked. May I talk?

Senator BENNETT. Yes, please.

Mr. PEROT. Well, I'm honored that you'll let me. This magazine had an ad in it and I gave you those ads. This magazine is dedicated to having these principles of NAFTA put into law and succeeded. It is a propaganda piece for NAFTA.

It is not my magazine.

Second, the factory thing we covered. You had something on parity, but it skipped me here. I can't read my own writing that I wanted to comment on. I'll have to let that go. What did you say about parity, or can you remember?

Senator BENNETT. I don't remember referring to parity. I'm talking about markets.

Mr. PEROT. Wage parity.

Senator BENNETT. Yes.

Mr. PEROT. Thank you.

Senator BENNETT. Wage parity would rise in Mexico as it did in Japan and Germany.

Mr. PEROT. Thank you. All right. Each situation is different. You look at the history in Mexico. Germany and Japan never had this policy of devaluation. They never had this policy of busting the unions. They've never had the policy of driving down workers' wages while the currency was inflating. This is a unique Mexican operation because so few people control all the wealth in the country.

Don't expect the worker to be treated with dignity and respect in Mexico.

Now, then, let's assume it does take 10 years. I always ask these people who are proponents, I say, well, what about this wage disparity? Oh, they say, it will be disruptive. And I say, how long? They say, we don't know. And I say, well, guess. They say, we don't

know. I say, 3 years? No. Finally, it gets out to 12 to 13 years. Ten years. I'll settle for 10 years.

Well, we don't have 10 years for drought right now. Let's assume we were liquid. Let's assume we were rich. Let's assume that this was a good thing we needed to do. Fine.

What this is, we've been outnegotiated by our neighbor. I don't blame our neighbor. I blame us. I blame us.

I'll sum up everything we've said. You pick the charity that you want this to go to, and I pick the charity that I want it to go to, and I'll bet that I'm right and you bet that you're right. Ten years from now, one of us will write the check to the other charity. And you set the amount that you're willing to bet.

Senator BENNETT. My amount will be substantially lower than yours.

Mr. PEROT. No, you set the amount. You set the amount and then we'll just keep score on this and see who was right and who was wrong, and some good charity will benefit.

Senator BENNETT. I'll take your bet.

Mr. PEROT. OK. You set the amount and it's done.

Senator BENNETT. \$10,000.

Mr. PEROT. That's what we call putting your money where your mouth is. That's fine.

Senator BENNETT. OK.

The CHAIRMAN. Let me just say—

Senator BENNETT. I'm not a gambling man—

Mr. PEROT. I'll put it in a special account, so if I go broke, you'll be paid.

[Laughter.]

Senator BENNETT. I'm not a betting man, Mr. Perot, but I'll break my rule.

[Laughter.]

The CHAIRMAN. I want to insert one fact into the record at this point with respect to this rule of origin on content between the three countries—Canada, the United States, and Mexico, with respect to the automobile production. In fact, that figure of 62½ percent doesn't kick in until the year 2002. We've got a real problem between now and then. In fact, a substantial part of the production can come in from overseas. That's why they're putting these magazines in Japanese. They're not putting them in Japanese just to spend the money.

In any event, Senator Moseley-Braun.

OPENING COMMENTS OF SENATOR CAROL MOSELEY-BRAUN

Senator MOSELEY-BRAUN. Thank you very much, Mr. Chairman.

First, I'd like to congratulate and thank you for convening this hearing. This is one of the more interesting hearings we've had. They're all interesting on this committee and I have to congratulate you and thank you for that. And to you, Mr. Perot, for coming in. It's always a delight to hear from you.

I have some questions and I'm going to try to just nail down some points that you've made.

I'm concerned that we don't get into mixing up apples and oranges and using different sets of figures that don't really compare.

I have some information from my State, from Illinois. This is just by way of an example. This article says, the winners will outpace the losers with NAFTA. Illinois stands to gain a minimum of 54,000 new jobs. Then the publication that you gave us this morning, *Jobs at Risk*, from the Manufacturing Policy Project, says that Illinois will lose 305,900 jobs.

Mr. PEROT. Right.

Senator MOSELEY-BRAUN. Now, it's hard to know with so many different sets of facts and figures flying around who's right and whose estimates are correct. But I guess, rather than get into the battle of the numbers, you used a term that really rang a bell with me when you said, we have to have a coherent, long-term U.S. strategy. I couldn't agree with you more.

My first question is what specific steps would you recommend for us to do to reindustrialize because, clearly, we have lost our productive capacity in this country. Clearly, that is the danger, the threat that frightens people so, the notion that good-paying, high-wage jobs are a thing of the past, are a thing of the post-World War II era, and not for the 21st century.

What do we need to do to reindustrialize and recreate productive jobs, not just paper-shuffling type jobs, for our economy for the future?

The second question, and, again, I want to be specific, can we reindustrialize and have open markets, because I think that really is the question that comes up in the debate about whether one can make up with exports what one loses in job transfers. Can we reindustrialize and have open markets, or do you have to reindustrialize first before you can have open markets?

Mr. PEROT. I think, because of our unique position, we can have a tremendous influence on—we are the big customer for the rest of the world. I've laughed with the Japanese. I say, only a fool puts his customer out of business. They're sensitive about this. They're doing such a good job, that their buyer may disappear.

See, one of the interesting parts of my life now, at one time, I couldn't get in to see anybody when I was trying to sell my product. Now I get to visit with all of these folks and that's fun because they're nice people. We are the big customer. So we can have an enormous impact now.

Let me go back first to the numbers. The numbers you got from me today are based—I'd say if we take the AmeriMex prospectus, I consider that hard and real because that's real capitalist money being laid on the table to invest in Mexico, as opposed to some economist creating a list of assumptions and then doing a study.

This is, I've got to get money out of your pocket to contribute to this. Using those criteria, that's how many jobs could come out of Illinois. So I consider this a very practical indicator of how many jobs you could lose.

To go to the people who say you'll gain jobs, I'll be glad to have someone work with your staff to give you all of the premises of their studies. And some of these are really interesting. But we will take the study you have, give you all the premises and get that back to you.

Senator MOSELEY-BRAUN. I would appreciate that.

Mr. PEROT. Now let's talk about reindustrializing. First off, if I could have one wish, it's that we would raise this up and elevate it to the level we did Waco, so that we're suddenly talking about it and it dominates our national debate, and it's on the evening news and we've got the press camped out in the middle of nowhere, night and day, with the moon in the background talking about it.

Senator MOSELEY-BRAUN. Watching a plant being built.

Mr. PEROT. Night and day, all we get is you educate the people about where we are and where we want to go. That's step one in a free society.

Then we will have the usual raging debate and what have you. Now we have got to—when all else fails, copy your competitors in business. I never could have invented the electric light, but a much lesser person can copy Edison's light and improve it.

So when all else fails, copy your competitors. They have these long-range plans. I mean, it's orderly, it's logical. They work on it. They're dynamic. They learn as they go.

We never learn as we go. We freeze everything, particularly in Government, passing a law, and even though it doesn't work, we keep it for 20 years.

Take Medicaid and I rest my case. If you had made Medicaid dynamic and said every day, everything you learned to improve it, let's improve it, we wouldn't have to overhaul that part of the health care now, just as an example.

Now back to the private sector, though. We need a plan. We could make a list, I think within a day, and get a consensus across America of the industries of the future. Then once you've done that, you'd say, all right. What does it take to dominate and be successful in those industries?

Well, among other things, it takes a good educational system. Oops, we're at the bottom of the industrialized world in terms of the academic achievement of our children. You say, that's all right. We've got MIT and Harvard and so on and so forth. Yes, but if you're brain-dead coming out of high school, you can't get to MIT or Harvard. You see what I mean?

Senator MOSELEY-BRAUN. That's the truth.

Mr. PEROT. You've got to have that basic education. Only in America, who invented public education, could you wind up at the bottom of the pile and be running costs through the roof year after year after year after year.

OK. You know that problem and you know particularly the problem in the big cities where you sometimes pay more for janitors than you do for teachers, and on and on. It's just bizarre.

But, now, coming back to putting our economy together, you pick those industries of the future. You develop your plan, like the Japanese and the Germans and others around the world do, and then you march toward the objective and you learn as you go and you adjust based on experience, and you get there.

If you want a grand-scale economic plan, you say, well, wait a minute, Ross. This long-term stuff is fine, but we've got to move. We've got to jumpstart the economy. And we should. Then the question is, how do you jumpstart the economy?

You don't do it with Federal money. You do it by setting small business free. That's the point that was made earlier here. We can

create a revolution in our economy in 24 months if we will let the small businessman back in the ring, the small business person. There are a great number of women entrepreneurs.

Everyone I ever talked to tells me horror stories about the Government regulations, the Government rules. Companies over 50 employees have to do this Government leave program, 12 weeks of leave. I think it's over 50. A lot of people just throw up their hands and say, I can't afford it because of the costs.

Now, then, let's assume we impose huge new fixed burdens on the small business, like a four-person operation has to provide the same health care and retirement as General Motors. He can't do it. Just can't do it. Now maybe some day it will be General Motors and could do it. But this little seed coming out of the ground can't do that much.

We could put together a plan. We could put together a crude plan that wouldn't have much argument within 48 hours about how to stimulate small business. You've got to get credit. You've got to get capital. You've got to set them free.

The one thing the Government could do, in my judgment, would be to help provide mentors. Every young person starting out—see, I didn't have anybody I could talk to.

Isn't it neat the way these other countries provide you with a mentor and then you don't make so many dumb mistakes, and the odds that your company will succeed grow up and a company that had three people next year has 30 people, next year has 300, then 1,000.

In my particular case, the company now has 85,000 or 90,000 employees, and it just started with an idea that everybody thought was terrible.

That's the magic of capitalism. That's where we've got the most jobs. But we've got to—can't let the car business disappear in this country, even though it's politically fashionable to think, gee, that's—if you don't have those factories, you can't fight and win a war. And you'd better keep the ability to make goods. You've got to make the iron here. You've got to make the steel here. You've got to have an energy policy.

Only in America would we have no energy policy and bring over half our oil in from around the world. And that can be cut off any time if we get into a major military conflict.

If we had ever fought Russia, those nuclear subs would have seen not a single tanker ever made it. Track them by satellite. It's a question of where you want to sink them. It's not like World War II where you had to find them and get in sight of them, and then you had a shot.

And submarines literally went two or three knots on batteries. These guys are roaring along at 40 knots underwater, stay under for 90 days, get the satellite message, go to the place, zap, that's the end of that tanker. Nothing gets in here.

We have never had to fight on our own soil, except when we fought with one another. We fought the revolution on our own soil. But after that, we fought the Civil War on our own soil.

That is not a birthright. And if you ever have to fight on your own soil, in today's world, you'd better be able to make stuff here.

More importantly, between fights, you've got the best jobs in the world for your people.

We can do all this. That's the great part of this country. We can do anything we want to. Right now, we're more interested in winning Super Bowls and World Series and entertaining—just focus on this. We're a whole lot more—who do we pay the most? Rock stars, athletes.

Senator MOSELEY-BRAUN. That's right.

Mr. PEROT. Let's assume you had a gifted friend with a great operatic voice who wanted to make a lot of money. You'd say, be a rock star, honey, right?

Senator MOSELEY-BRAUN. That's right.

Mr. PEROT. You see, we've got our priorities all upside down. We're into entertainment big time because we have been so rich for so long. We need to really refocus on the basics, rebuilt this job base. You can go to places in our country, West Virginia, Kentucky, places like that. You don't have to just go to the inner cities. People are hurting.

Senator MOSELEY-BRAUN. There's no question.

Mr. PEROT. See, Los Angeles—I remember having a who's who of California one night at a meeting lecture me on how California could never have a recession. And I said, did you ever have one? They said, yes. I said, when? They said, when Jerry Brown was governor. I said, well, what did he do wrong? And they said, well, that was when Jimmy Carter was President. I said, what was the problem? They said, well, they decreased defense spending. I said, well, you just put your finger on it, guys. You've got more defense work out here than anybody else and when that starts going down, you're going to hurt again. Oh, no, we're recession-proof. Nobody's recession-proof. That's like the heavyweight boxer that thinks nobody can lay a glove on him. He's about to be knocked out.

Senator MOSELEY-BRAUN. That's right.

Mr. PEROT. That's our problem.

Senator MOSELEY-BRAUN. But can you do both? I guess that's my question.

Mr. PEROT. Absolutely.

Senator MOSELEY-BRAUN. Reindustrialize and have open markets.

Mr. PEROT. Well, not just dumb open. Keep in mind, someone made the comment a minute ago about free trade. We're getting outnegotiated.

Now, if you want to have fun, just go to the Japanese and say, we'll take the same deal on everything that we've given you. They'd fall over. They couldn't give us that deal.

For example, if we had a two-way street on cars, or let's just say that they had to comply with their regulations to ship a car into this country. They could not unload the cars off the ships. They almost take our cars apart inspecting them before they put them in Japan, right?

The CHAIRMAN. That's right.

Mr. PEROT. It is not balance. Lee Iaccocca was right. It's not a level playing field. It's a joke.

So, first, we look at all these bad trade agreements and get them straightened out. How does Japan—No. 1, they're good negotiators.

No. 2, we're bad negotiators. No. 3, in 1988, they spent \$400 million lobbying this country. That's more than the next 11 nations combined. That's as much money as was spent cumulatively on all the House and Senate political races.

That's why I say, step one is get rid of all that stuff in this country and let's get back to basics. They're buying influence and tilting the deck, and you've got all these trade negotiators and all these members of the trade staff who leave and go with them, so they are being coached big time.

This is an important point. I asked the Japanese, I said, is there a law against your former officials becoming lobbyists for us in Japan? And they said, oh, no, but you could never do it. And I said, why not? And they said, it would be a source of great shame.

Now I'd like to put that billboard up somewhere around here. It's wrong. That got rid of the First Amendment problem. It's just wrong, so you don't do it. They won't sell out. Now they're not choirboys, but they won't be lobbyists, apparently, or they claim they won't.

Senator MOSELEY-BRAUN. Thank you very much, Mr. Perot.

The CHAIRMAN. Thank you, Senator.

Senator Mack.

Senator MACK. Thank you, Mr. Chairman. Again, welcome, Mr. Perot.

Mr. PEROT. Thank you, sir.

Senator MACK. Ross, over the last year or so, you have spoken out, I think quite eloquently, about the Federal deficit. One of the things you did accomplish, I think, was kind of like the stories about Waco. There was a period of time when we were clearly focused on that issue and I think the country owes you a debt of gratitude for doing that.

I want to take just a couple of minute pursuing several questions along that line, however.

With respect to spending, is it your feeling that the budget that was passed recently cut Federal spending enough? And I realize I'm using the term cut in the way it's defined here in Washington, as opposed to the way we would define it outside of Washington.

Do you think that we should go further in cutting spending? And I would just kind of add to it, I assume you're familiar, to some degree, anyway, with the base closure commission and the ability through the base closure commission to make some difficult decisions and choices that Congress apparently was not willing to make on its own.

So, again, the question is related to do you think it might be helpful to have a base closure commission concept to be used to cut Federal spending? I realize I've given you a whole new area here.

Mr. PEROT. Right. That's all right.

Senator MACK. But I think it's an important one because I think one of the things that could be added to your list of things that can be done to help get America moving again clearly would be to reduce the size of Federal expenditures and, in essence, free up the American spirit and allow it to be competitive once again. So, if you would, address the question of whether you think that there should be more spending cut beyond what the budget resolution called for.

Mr. PEROT. Yes, sir.

Senator MACK. More than what the Congress itself has said it was going to do. And whether you think it might be a reasonable idea to pursue an idea of a base closure commission, such as a Federal spending reduction commission. I'd be interested in your thoughts on that.

Mr. PEROT. No. 1, I don't think the new budget—it's more of a spending budget than a cutting budget. Most of the cuts come from the Defense Department.

I am really saddened that we make all these numerical decisions without having a plan first. For example, if I announce to you that I am going to build a \$100,000 house, and then hire an architect, you'd wonder about me, right? Unless I said, it cannot cost more than \$100,000 bucks.

But what we've done here is take our biggest swipe at the Defense Department. We don't have the plan worked out. When you try to pin anybody down about exactly how you're going to do this, they say, we're working on it.

Then we had all these charts that came out in Vision for America about how we were going to cut health care costs and add 30 million people. And I'm on record as saying, fellows, that's a tightwire walk without a tightwire. See, health care is 14 percent of our gross domestic product and going up. If some genius could come along and flatten it—not flatten it, just stop the growth—we'd give him a Nobel Prize. But to add 30 million people and save tens of billions of dollars a year that we're using to drive down the deficit, it will not happen.

Now only in America on April 15, on tax day, would you announce that, hey, we have an April surprise for you, ordinary American. We're going to have a value-added tax for health care.

Nobody at the grassroots America level, and I'm embarrassed to say, I had never—now if it was known in Washington that they were considering a new value-added tax for health care, I didn't get it at all. And nobody down in the real world where people work knew it was coming. It just hit them like a Mack truck, no pun intended.

[Laughter.]

So we need to cut spending. The desire on the part of the American people, and I've got the statistics here, they're just overwhelming. They will pay more taxes to balance the budget and pay down the debt, but they really want to cut spending.

You say, OK, Perot, you're saddled with this project right now. Is there anything you can reach for? Yes. I'll reach for Senator Nunn and Senator Domenici's report. I'll reach for Senator Domenici's recent report. I'll reach for Congressman Kasek and his staff's report on how to achieve the same number of cuts with no tax increase, the net effect of the Clinton plan with no tax increase.

Now, you say, but there are going to be problems in all of those. Sure, there are problems everywhere. But this is a starting point. And I've probably done a disservice not to mention others who have done good work in spending cuts.

Senator MACK. If I can, let me hop back in here for a second.

Mr. PEROT. Cut more.

Senator MACK. You're basically saying there has not been enough cut.

Mr. PEROT. Not enough cuts. The waste is everywhere.

Senator MACK. Let me ask you this. The problem is that we have not been able to find the political way to get it done. What I'm suggesting is that we couldn't find the political way to close bases. Would it be reasonable to assume that we might be able to accomplish the same thing with some kind of spending reduction commission?

Mr. PEROT. Yes, sir. Sure.

Senator MACK. Would you be willing to head such a commission up?

Mr. PEROT. We'd have to have a long conversation first because Mr. Grace—

Senator MACK. Would you be willing to have that long conversation?

Mr. PEROT. Stay with me. Stay with me. Mr. Grace did a good job, the Grace Commission. And then everybody stiffed it. The work was done. No action was taken.

Senator MACK. Yes, but what I'm suggesting is—

Mr. PEROT. I'm saying, I'd have to get through there. Is this something Washington wants to talk about or do?

Senator MACK. Something we want to do.

Mr. PEROT. No, no. If we're at the place where let's do it, then, certainly, anybody would be glad to help, but I'd really have to be satisfied that this was not just another poster boy operation, that we were going to do it.

And on base closings, I think the commission did a good job. I was travelling in California the weekend it hit. Fascinating. This dominated every meeting I attended that weekend.

Now there's an interesting phenomenon in the meetings that I attend. We have a disproportionate number of young people there because they're worried about their future. See, when we got out of college, it was a question of where you wanted to get a job. Now they get out of college with master's degrees and things most of us didn't have and have trouble getting jobs.

They're there. They were really down in the dumps over the base closings. I said, look, the question is do we need the base or not. That's the question. I said, let me give it to you another way. What if we were having base openings this weekend and I was here to tell all of you folks, don't go back to class Monday morning. Report in. We are going to put you into bootcamp, send you through basic training, and ship you overseas.

They just started laughing. Base closings is a heck of a lot better than base openings. Base openings means you're going back to war, right? You take a base closing any time to a base opening.

The point is you've got to just—if we could just deal with the people candidly, they are so thirsty for that. Right now, with the value-added tax, for example, they say, well, that's that same old thing. They're sending out a trial balloon. Just throw it out there and see if the dogs will eat it.

If you're coming out with a value-added tax, just come out with it and say, folks, it ain't pretty, but we've got to do it and here's why—one, two, three, four, five—and take the heat and keep working on it and keep going.

The base closing thing was a good thing. The defense cuts are excessive. We'll never achieve those defense cuts. I'd be willing to make a bet on that. And if we do, we will spend trillions to correct the mistake because—and you say, well, what's my solution there?

Listen to the people in uniform. The one thing in our Government that works pretty well is the defense establishment, the leadership, the organization, so on and so forth. The people have great confidence in, world-class people, world-class integrity, by and large. And let's really look at their plan.

And I would say your Senate committee is a very strong committee there. If I had to listen, I would listen very carefully to Senator Nunn, Senator Warner, the senior members of that committee, because they were instrumental in rebuilding—see, we had a mess after Vietnam. We didn't have much left after Vietnam. And we have rebuilt a lean, mean, fighting machine that does the job.

Again, every time we get something right in our country, we want to throw it on the floor and break it. We've got this right. Let's be careful before we just downsize it and destroy it.

Morale in IBM is bad. The saddest thing in the world is when you have no morale. I love organizations where everybody is laughing, grinning, morale is through the roof.

Then, when you see an organization that has bad morale, you say, well, if we ever tap all that anger, we can turn it around and light up the sky with good morale.

But when you see no morale, that's the saddest thing of all. And we're headed from bad morale to no morale in the military right now because all these people who thought they had careers don't know if they do or not.

We need to stable that and get that put in place and keep going.

A specific plan to reduce spending through a commission I think makes sense. But I think anybody that would want to spend any time on it would want to somehow know that it won't be a repeat of the Grace Commission. Maybe the best assurance of that is to explain it in small increments to the America people in what I'll call the Waco level, where everybody hears it, knows it, and you build such a giant consensus to go ahead and do it, that it's politically popular to do it.

That's one of the problems here is what do the people want? And if they'll send you a clear enough signal, it gets pretty easy to get it done, I think.

Senator MACK. Well, I'll make just one more comment.

My suggestion would be that your idea or you're relating it to the Grace Commission. What we ought to have is a Grace Commission that has teeth.

Mr. PEROT. Yes.

Senator MACK. I'm going to talk to you about this a little bit later on when we have more time.

I thank you.

Mr. PEROT. If it looks like an alligator's mouth, then you're headed in the right direction.

[Laughter.]

There's no question that that alligator, if he ever snaps his mouth, he's got your arm.

The CHAIRMAN. We want the alligator's mouth instead of the alligator shoes, right?

Mr. PEROT. Exactly. I understand that wing tips are back in fashion up here.

[Laughter.]

The CHAIRMAN. Senator Boxer is struggling in her State because California is really taking a hammering. Your comments earlier about the fact that you had this meeting sometime back years ago, I guess, with people who said that California was recession-proof, it's too bad that wasn't true. But Senator Boxer, why don't you go ahead.

Senator BOXER. Thank you very much, Mr. Chairman, for allowing me a second round.

Thank you, Mr. Perot, for staying around this long.

I just came back from California after having several meetings during the Easter recess in which hundreds and hundreds, when I finished, thousands of people I met who came out to community meetings. I noticed what you noticed, too: a lot more young people coming out. This is wonderful because they are beginning to make a connection to their Government. I think we did have some good candidates out there who appealed to the youth and helped them understand their connection to what goes on in Washington.

However, they're very worried. And in California, they have a lot to be worried about where you have the national recession, which hit us hard, on top of the base closures, which, by the way, took a disproportionate hit from California.

NAFTA just may be that third hit that will knock us out. I very much appreciate this report and I'm going to ask you a little bit, my last question, about it. I'd like to know who came up with these numbers because Senator Braun raises a good point when she says there are so many different numbers floating about.

But let me first put something in the record, if I might, Mr. Chairman. I alluded to this front-page story from Business Week, April 19. I'd ask unanimous consent that the entire article be printed in the record.

The CHAIRMAN. Without objection, and we're going to make all of the documents that have been referred to today a part of the record.

Senator BOXER. Good. And, again, I want to say something here. I'm sorry our Republican friends ran off.

No, they didn't. They had other things they had to do that were important. I say that seriously. But the point I want to make is some of them are the biggest advocates of free trade. I appreciate that. And some of them are the biggest opponents of any kind of economic strategy, even the kind that you talk about where we do sit down with people from all sides and have some kind of strategy for this country.

If you use the word, managed economy, which I do not support, they would be on the ceiling. However, they are interested in running full speed ahead into an agreement with a country that makes the term, managed economy, look like a birthday party. I'd like to read the following:

In their drive to modernize Mexico, Salinas and his planners command nearly every variable of the economy. To smother inflation and preserve Mexico's huge

labor cost gap with the United States and other producers, Salinas fixes salaries through a complex business-labor agreement that's known as "El Pacto."

He annoints and boots out labor union bosses and state governors, alike. A few years ago, he quietly brandished an obstreperous American president of Chrysler to Mexico who was quickly replaced by a Mexican. Salinas's technocrats juggle import duties and steer investment from one region to another. In short, Salinas and his number-crunchers run a near command economy.

So here we have a situation where we are running into an agreement with a country that has a near command economy and the people who most favor NAFTA are some of the ones who shudder at the thought that we may have a roundtable where business and labor and academia and everyone is in one room talking about a strategy. I find a tremendous amount of irony in this issue of NAFTA.

I want to make another point about business. I think that Senator Bennett made the point that business needs this, business wants this, and he talked about this publication.

Well, I want to make a point for the record, Mr. Chairman that the business and industrial council, which is an umbrella group made up of 1,500 companies, primarily medium-sized manufacturing firms, objects to the agreement on the grounds that it tilts the playing field in favor of large firms at the expense of small- and medium-sized firms for a very simple point.

Large firms are more mobile; thus, better able to take advantage of lower wages and regulatory standards in Mexico. Smaller businesses are often tied to their communities and local lenders and cannot head south easily.

So, in conclusion, I have two questions. Would you agree that to just say NAFTA is pro-business overlooks the fact that there are medium- and small-sized business, which, frankly, are the economic engine of America, who do not like NAFTA?

And the last question is will you tell us something about this organization that put these numbers out, the Manufacturing Policy Project?

Mr. PEROT. Dr. Choate is here. He'll be glad to visit with you and tell you anything you want to know about it.

Senator BOXER. Good.

Mr. PEROT. And the other question you wanted to ask me?

Senator BOXER. And the other question is, when we say that NAFTA is backed by business, would you agree we are overlooking the small- and medium-sized businesses who might be hurt by this?

Mr. PEROT. Yes. And you are dead right that everything going on in Mexico is carefully managed and nothing up here is carefully managed, except it is carefully managed by Mexican lobbyists to see that we all go into NAFTA. Now that is being brilliantly done, but not in the interest of our country.

Never forget—let me just say this again. If my objective were just to make money, I don't know of a better place than to make it around this because it's such a one-way street.

It's like the law of gravity—the apple will fall from the tree. The job will go down there to the 58-cent-an-hour wage. And if I get down there early with what used to be \$10, \$12, \$14-an-hour jobs and I get those folks working and I have to have three or four of them, they are productive. They're to the point now where auto-

mating a plant in Mexico the way you would have to in Detroit makes no sense at all. You go to semi-automation, you still have a tremendous spread.

It is a slot machine. But back here in the good old USA, you've got these millions and millions—who goes to war? When we go to war, the sons and daughters of working people.

Two members of Congress had sons and daughters in Desert Storm. I talked to 18,000 business executives in a whole series of speeches during Desert Storm. I always asked, how many of you have sons and daughters in the desert? I got up to eight.

See, these are the people who are the tax base. These are the people whose sons and daughters defend the country. They are America. And just to wipe them out so that somebody can do the Molly James deal like I described, and live in a house in Bel Air, the \$4 million mansion, while Molly's looking for a job, that is something out of history, I thought.

But that's Mexico today. That's the 36 people who control the country. That's the country that will shoot the workers if they get out of line. You think of the rights that we have for our workers in this country. Anybody who is not a fool will treat everybody that works for him as an equal and with dignity and respect. But we've got a lot of fools in this country who don't really understand and look on the people who do the honest work of making the product as being just as important as a CEO.

The companies that do that make a lot of money here. They're much more successful because they have a united team.

But we've got places that just can't wait to shut these factories down to "teach them a lesson," go to Mexico and have the Mexican government enforce the whim of the day. If it's lower wages, fine. If it's throw the union out, fine. If it's get rid of one set of workers and get another set, the state police will come in and do it for you.

Now, it's unthinkable that we're longing to be a part of that, to me. And yet, I'm sure at the same time we'll be sending troops to Somalia or somewhere to enforce human rights, right?

Who knows?

Senator BOXER. Interesting dichotomy. I have one last very quick question.

The CHAIRMAN. Go ahead.

Senator BOXER. UC Professor Ed Leimer, who is a free trade advocate, likes free trade——

Mr. PEROT. Sure.

Senator BOXER.—Says that NAFTA will result in an average wage loss of \$1,000 per worker for 70 percent of the work force. In other words, the ones who manage to keep their jobs here are going to see a decrease in standard of living, 70 percent of them. Does your research bear this out?

Mr. PEROT. I'm not that precise, but common sense and logic tells you, in every one of these experts I've talked to—I thought I didn't understand it. That's where I started. I figured I'm just stupid, which probably you'd agree. But I just couldn't understand it. So I started talking to all these experts and the longer I talked to them, the more I decided that they had all of these really soft, impractical, theoretical premises.

But if you are free to go back and forth, why if you're Japan or Germany would you want to build a factory in our country? You wouldn't.

Now Senator Bennett is just dead wrong about the factories are already there. The trickle is there. The flood will start after NAFTA is signed. All these guys that say they'd rather keep a factory in the United States, see, that's just horse-trading and negotiation. That's what I would say if I was trying to get this thing passed—oh, I'm not going to move anybody. Then, 3 months after it happens, well, it's the old story of like some of the campaign promises. But the facts are, once it's over, once the document is signed, say, oh, the devil made me do it, I had to go to Mexico.

The facts are you'll go to the cheap labor. You'll make more money. You'll pocket the profits. And we are going to wipe out the middle class and the middle class is our buying power in this country.

What I've said to the Japanese, I'd say to the chairmen of the big car companies. I say, you can make all these things, but you've got to have somebody that can write you a check for them, right?

The CHAIRMAN. So that they can afford to buy them.

Mr. PEROT. Sure.

Senator BOXER. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Boxer. You know, Mr. Perot, you've touched on it today. There's billions of dollars driving this thing.

Mr. PEROT. Right.

The CHAIRMAN. There are people who have already made fortunes in Mexico by going down and taking advantage of the low labor costs and so forth.

I serve on the Finance Committee, so we've already had some hearings in there on this package. It was very interesting to see who came to testify on it. We had another Texan, as a matter of fact. Boone Pickens came in and he was for it because he was working an oil deal down in Mexico City and he told us a little bit about that and so forth. I don't fault him for doing what he's doing, but just to give you an idea of where the case was coming from and who was making it.

Then we had some investment bankers come in because they're packaging up all these deals. They can sit in a financial center like Wall Street and make a ton of transactional money in terms of moving the money down there as these factories get closed here and taken down there, and so forth.

I've watched what's happened in the automobile industry, and you used to be in that industry directly and you saw it from the inside. We're closing plants in Michigan and all over the country and they're going down to Mexico.

As you say, we've just sort of seen a trickle so far. You used the figure, 64. I've seen the figure—it's hard to keep track of them because they keep opening new ones. But I cited earlier this quote from the fellow that runs the Ford Motor Company operation down there where he estimates that they can be producing as many as 3 million cars down there after this NAFTA gets implemented because, really, the sky's the limit. They can keep putting these

plants up and they can keep cranking these cars out in ever large volumes.

The thing that I'm concerned about, you know, this committee also has responsibility over the Defense Production Act. It's another relevant reason for us to take a look at this because this is our mobilization base if and when we need it in terms of the industrial base of this country.

We have got to get back to a Team America concept. We've got to get back to business and Government and labor thinking together and working together and sitting down around a table together and really crafting an American strategy and an American plan, and figuring out what's good for the economic future of this country and how we offer a future to the young people.

You often speak about that. Today, a young person going to college, either working their way through or being helped by their parents, can come out with top grades and can't find a job. And the notion of having to leave Michigan and go to Mexico to get a job or some other place, it's just unworkable. There is another thing that you could do for us which would be of enormous value, and I'd like to ask you to consider doing it. I think your point about the industries of the future is exactly right. We've got to get away from this 10-minute time perspective into the future and we've got to be thinking 10 years and 20 years into the future. It's the only way we're going to solve the rest of our economic and social problems.

If we've got a good job base, we can do anything. If we've got an eroding job base, we're not going to be able to solve any of our problems. We have got to identify objectively what these industries of the future are, and we've got to craft a strategy where business and Government and labor sort of lock together on getting it done.

The defense conversion offers some opportunity for that because we're throwing all kinds of skills out, from Ph.D.'s in computer science, right on down the line. And they're going out now into a slack labor market. A lot of them are just bouncing around for months. I got a letter from a fellow in Texas who has been through three job retraining programs and he's got a graduate degree. He still can't find a job because there aren't enough jobs out there to find.

So we've got to have a strategy and a plan. And it would be very helpful, for example, if somebody like yourself, who's outside the Government system, would be prepared to say, working with others, look, here are five industries of the future that we know are industries where we've got to be positioned for ten different good reasons, as far out as the eye can see, for the next 50 years. And if we're not into those fields—you mentioned aircraft earlier and so forth. That seems to me to be an obvious one. And information-handling, things of this kind—if we're not positioned in those fields, if we're not gearing the full strength of this country into those fields, we're not going to have much of a future. We're just going to give our future away.

You mentioned Japan earlier. Japan has taken out of the United States, in just the trade deficit in their favor since 1980, over \$500 billion.

They just announced a stimulus program in Japan of \$114 billion this year, half of which we're providing through the trade deficit

just in the last 12 months. So they're taking money that used to be ours and reinvesting it in their economy because their unemployment rate is all the way up to 2½ percent. And here we sit at 7 percent and we've got people now all over the place who can't get slotted back into the work system.

We need a strategy. We need an American strategy that's aimed at the job base of the future and not the hamburger-flipping jobs that you referred to earlier, but high value-added jobs.

If we want to consume a lot, we've got to produce a lot. There's no way in the world that we can have a high consumption standard if we don't have a high production standard. The math just doesn't work. You just can't do it. We can put it on a credit card. We've done that in Government. We've done it a lot of other places. But those days are over. That's the way to ruin this country, and I think we're running that risk.

So if you and your group would undertake, in whatever way it can be done, the development of some ideas about a strategy as to how we actually get into focus what this kind of game plan ought to be for the country in terms of these industries of the future, where business and Government and labor and citizens can really come together—the irony is we can go back to World War II. We're in a world war now. We're in an economic war right now. We're just not winning it and we're not even smart enough to diagnose what's happening and we're about now to encourage a great big flow of jobs out of this country when we can't afford to lose any more jobs out of America.

If you could do that, that would be enormously helpful. I will find a way to do something with it because I think it's important to get an independent, outside-of-Government view on this issue of how we take and really craft an American economic strategy that's sort of comes off a Team America concept. So I'd ask you to consider doing that.

Senator Mack, did you have another issue to raise?

Senator MACK. [Nods in the negative.]

The CHAIRMAN. Senator Boxer, did you have another issue?

Senator BOXER. [Nods in the negative.]

The CHAIRMAN. Let me just conclude, then, by saying I appreciate the fact that you've done all this work and I appreciate the fact that you're here today and that you care enough about this issue not only to speak about it and give the leadership, but to cut against the propaganda campaign that's coming the other way.

Now, I think you cited a figure that that nine-page supplement in the New York Times cost something like a half-million dollars.

Mr. PEROT. With two more coming.

The CHAIRMAN. And two more coming. So there's a ton of money driving this issue and all of the propaganda and the studies that get put together and so forth and so on to tell us that we're helping ourselves by wrecking our job base.

It's very important that this issue continue, I think, to be brought to the foreground and taken out so the American people have a way to cut through this fog and cut through this propaganda and all the special interest money that's driving this thing, to understand what's at stake for them. I think, increasingly, they are figuring it out.

Finally, this. You said today, and I won't go back to the hearing record. You were asked a question at some point as to whether this package is so flawed, that it's got to be just seen for what it is and put aside and start over with a fresh sheet of paper.

I thought that was a very significant conclusion that you have now reached after all the work you've done. I had not heard you say that quite that clearly and bluntly before. I think that's a breakthrough. I think it's a breakthrough for the country that somebody who's done an outside piece of work like this in your position has come to the view that this package will not work, as it's now put together and it's going to hurt this country. And therefore, we've got to go back to the drawing boards.

Also, that you've offered to help us craft a piece of legislation on this foreign lobbyist abuse that will meet the constitutional test. You get that ready. We'll go through it and I'd like to be the first one to introduce it.

Mr. PEROT. May I say one thing, sir, before we close?

The CHAIRMAN. Please do.

Mr. PEROT. I was on General Motors board in the mid-1980's. I was its largest stockholder. It was as obvious as anything could be that if General Motors didn't take careful action, it was going to wind up where it is today.

My speeches to the board are a matter of record. I had conversations that I will remember for the rest of my life and I kept saying, there are all these people in the factories that are going to get hurt.

Now, it's back to the old American mindset—let the good times roll, keep the music going this quarter, the point that people have made. I see our country today where General Motors was then.

Every day is precious. Now just think, I begged General Motors not to spend \$5 billion on Hughes Aircraft. Think what they would do if they had \$5 billion today that they don't have, when they were losing a half-billion dollars a month and raised a billion and a half dollars and everybody said, wow. I said, no, that's 90-days' worth of money.

Now things are better, thank God. They're starting to get back in shape. But General Motors really let itself go in the tank.

Every day is precious when our country is in a situation like this. We can't wait until it's obvious to the brain-dead. That's what IBM did. That's what General Motors did. Anybody that was still breathing could decide, well, we've got to do something revolutionary, right? But way back here, when you first start getting that muscle twitch, that's when you ought to go to the doctor, not when your heart stops beating, right?

We've got the muscle twitch in this country right now and we have world-class people here in Washington. I certainly want to urge all of them that while there is still time, let's try to correct it now. Fewer people will be hurt, right?

If we ship all the factories to Mexico, let's assume I win the \$10,000 and the Salvation Army gets it. I'm not going to feel very good that day, right? But the Salvation Army will need it because they'll be down across the country trying to take care of folks that used to have jobs.

This doesn't have to happen. It is obscene that it might happen. And anything we can do to help, we certainly want to do.

Thank you for giving us the opportunity today to be with you.

The CHAIRMAN. It's been very helpful today.

The committee stands in recess. We thank you very much.

Mr. PEROT. Thank you. Thank you, sir.

[Whereupon, at 12:52 p.m., the hearing was recessed.]

[Prepared statement and additional material supplied for the record follows:]

PREPARED STATEMENT OF SENATOR RICHARD H. BRYAN

I first want to thank my colleague, Senator Riegle, for his leadership in organizing this hearing to examine the impact the North American Free Trade Agreement could potentially have on the United States.

I would also like to thank our distinguished guest, Mr. Perot, for testifying before us on a matter so important to our Nation's economic future.

I look forward to hearing both Mr. Perot's and my fellow colleagues' comments.

I am very concerned for the worldwide competitiveness of American industry and our country's economic future.

I have been a strong supporter of a number of legislative measures to improve America's competitive position. We must learn from our past as we debate this Free Trade Agreement.

In 1970, United States companies had ninety percent of the domestic color television market. Today that market share is less than ten percent. Similarly, the technology to build VCR's was originally developed here in the U.S.; today, VCR's are entirely produced by the Japanese.

Lack of foresight in economic decision-making has allowed us to lose the lead in production technology too many times.

If the international marketplace was a level playing field, I am confident American industry would remain competitive. This, however, is not the case.

Foreign producers are frequently provided Government subsidies for manufacturing, including high technology items such as computers, civilian aircraft, and consumer electronics.

Double standards must be brought to an end. It is clear we must take action to develop a responsible long-term trade strategy.

This development of a progressive trade strategy with our neighbors is not only inherently related to our future economic health, but it can make economic sense. While I support free trade in general, it must be fair trade that promotes our exports and stimulates our economic growth. Free trade oftentimes exists in a vacuum, and it is all too clear that our current system is stacked against us.

As Congress and our new administration develops a trade policy to lead us into the 21st century, the potential of the United States to expand its trading markets have never been so achievable.

The task, however beneficial, will not be easy. The task of informing the public and educating policy makers about the potential benefits of a North American Free Trade Agreement is formidable.

In order to effectively promote the development of a robust trade agreement, we must:

- Ensure that the ongoing negotiations strongly take into account the protection of our environment.
- Ensure that the affect of American employment is taken into account. The wage differential between American and Mexican labor is substantial, and this difference could result in a loss of American jobs to factories across the Mexican border.

We need to bring in more often those who are in the private sector to seek their guidance on the practical application of Government actions. We need their hands-on experience.

Congress itself is often accused of operating in a vacuum, and I think sometimes that is very true. There is much we can learn from those who are forced to work each day under the laws and policies which govern our trade system. What often times appears practical and helpful on paper, may not work out in reality.

I am hopeful that with the cooperation of Canada and Mexico, we can reverse course, and look to trade agreements of the future rather than the past. Nevada is ready to be an active participant in this process.

It is my hope that partisan differences will be put aside so we can develop a responsible long-term economic and trade strategy for our Nation's future, which includes free and fair trade policies that help American industry compete on an even level in the world market.

If we now make the first steps of that process possible, it may become our most lasting legacy to the citizens of the next century.

Cover Story

THE MEXICAN WORKER

SMART, MOTIVATED, CHEAP—
AND A POTENT NEW ECONOMIC FORCE
TO BE RECKONED WITH

MEXICAN PRODUCTIVITY LEAPS AHEAD

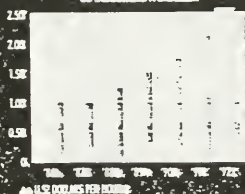
PRODUCTIVITY GROWTH IN MANUFACTURING
FIFTY-TWO ANNUAL AVERAGE



ANNUAL AVERAGE

...AND WAGES ARE MOVING UP

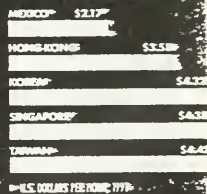
WAGES AND BENEFITS
OF INDUSTRIAL WORKERS



ANNUAL AVERAGE

BUT MEXICANS EARN LESS THAN ASIANS

WAGES AND BENEFITS
OF INDUSTRIAL WORKERS



IN U.S. DOLLARS PER HOUR

BASED ON 1990 DATA FROM THE BUREAU OF ECONOMIC ANALYSIS



...AND ONLY A FRACTION OF AMERICAN WAGES

WAGES AND BENEFITS
OF INDUSTRIAL WORKERS
U.S. DOLLARS PER HOUR, 1990:

INDUSTRY	MEXICO	U.S.
TEXTILES	\$1.94	\$10.31
FOOD & TOBACCO	1.67	13.42
ELECTRONIC EQUIPMENT	1.54	13.96
INDUSTRIAL & OFFICE MACHINERY	2.02	15.97
CHEMICALS	2.61	18.96
AUTOS & PARTS	2.75	21.93
IRON & STEEL	3.20	24.26

BETTING ON THE FUTURE AND STAYING PUT:

ARTURO ARRIAGA,
A STEELWORKER
AT GALVAP, IS
MAKING LESS THAN
HE WOULD AS A
NONSHIELDED
LABORER
IN THE U.S.,
BUT HE WOULDN'T
THINK OF LEAVING
MONTERREY

Arturo Arriaga closes the sheet of steel he uses for a door, fastens a chain, and snaps shut the padlock. The 23-year-old Monterrey worker can't afford much more than a spare cinder-block house with no phone. Still, he considers himself on the fast track. Since beginning a new training program at Galvak, a specialty steel company, he and his co-workers have seen productivity skyrocket and their pay nearly double, to \$13.38 a day. If Arriaga passes his next test, he'll get another promotion. Sure, Arriaga says, Mexican dishwashers and farm workers earn more in the U.S. "But here I have a real career."

As Arriaga and millions of other Mexican workers pursue their careers, few realize how closely their progress is monitored—and controlled—by government officials. Every Thursday morning for the past six years, a cadre of economists, including six Cabinet members and top business leaders and union officials, has gathered around a large table in the Labor Secretariat offices in Mexico City. There they thrash out agreements that control prices and wages and brainstorm on ways to boost productivity. It's the kind of social pact that has been tried in many other Latin American countries. But only in Mexico, with its one-party rule, have such agreements stuck. Mandated by the country's leading economist, President Carlos Salinas de Gortari, the goal is to lift the productivity of Arriaga and his fellow workers to First World levels.

In their drive to modernize Mexico, Salinas and his planners command nearly every variable of the economy. To smother inflation and preserve Mexico's huge labor cost gap with U.S. and other producers, Salinas fixes salaries through a complex business-labor agreement that's known as *el*



Salinas runs an economy closer to the Asian model than any in the West

Cover Story

pacto. He anoints—and boots out—labor union bosses and state governors alike. A few years ago, he quietly banished an obstreperous American president of Chrysler de Mexico, who was quickly replaced by a Mexican. Salinas technocrats juggle import duties and steer investment from one region to another.

In short, Salinas and his number-crunchers run a near-command economy, much closer to the Asian model than any other country in the West. It has produced an astounding success. Today, Mexican workers are reaching for better and better industrial jobs. But to clinch Mexico's modernization, Salinas wants to link his small, top-down economy to the freewheeling giant to his north

goes to the core of the U.S. industrial base." And Mexico's overarching government raises the question whether it is possible to integrate work forces managed under such different rules.

Indeed, Northern eyes are opening to the powerful advantage Mexico has in its young, rapidly growing, low-cost labor pool. Nearly four out of ten 18-year-olds entering the continental labor market are Mexicans—this in a country with a mere 5% of U.S. gross national product. Strengthening Mexico's hand are low wages and high productivity. Pay in Mexico remains about one-sixth the U.S. level, while productivity has grown at twice the U.S. rate in the past five years (charts, page 34). The most dramatic gains are at corporations such as Ford, General Electric, and IBM, whose Mexican plants match and often surpass their U.S. counterparts in productivity and quality. Since Salinas' term started in 1988, \$26 billion has flowed into Mexico in part for new plants and to upgrade existing ones, helping to create 2 million new jobs, as the U.S. has shed them by the thousands.

ONE-WAY FLOW. Salinas has managed Mexico almost too well. Its quick climb is now shaking the philosophical underpinnings of a North America Inc. Traditional free-market thinking, embodied in NAFTA, maintains that job growth in Mexico makes for a more prosperous region while slowing migration to the north. That prosperity will increase the appetite for U.S. exports, thus preserving high-wage jobs in the U.S. But now a growing chorus of NAFTA opponents argues that Mexico's industrial policy creates an uneven playing field. With the government holding down salaries and keeping a tight grip on unions, critics say, Mexico will suck in the jobs, all right. But with wages held down, Mexicans can afford to buy little of what they make. That could spell delayed gratification for Mexicans and the U.S. exporters who await their prosperity.

The stage is set for a bruising battle over NAFTA in Washington. Debate is focused on two side agreements—on labor rights and environmental regulations. NAFTA foes from Ralston Nader to Lane Kirkland seek to weaken Salinas' grip on the economy, treating Mexican labor as an unfair trade advantage needing to be offset by a "social" tariff in some cases. But Salinas, who chooses a successor this fall and how to out in late 1994 needs to broker a smooth transition. He can be expected to resist, with diplomatic pressure and a



lobbying paragon, any side deals that would crimp his power (box, page 92).

Who are these formidable neighbors of the U.S.? They're some 10 million skilled and semiskilled workers, the top third of Mexico's work force. From Mexico's dusty Silicon Valley outside Guadalajara to the Pacific canyons south of San Diego, they're adapting quickly to the latest Japanese production systems. They're taking the controls of million-dollar machines and are churning out world-class autos, TVs, and computers. "People who live in little villages with dirt roads can handle any job we give them," says Charles Parks, president of Guadalajara circuit-board maker Adelantos de Tecnología, a subsidiary of SCI Systems Inc. in Huntsville, Ala.

And how do they turn out such high-quality work? Mexicans are not only eager for work and cheap to hire but they are also a cinch to train. Paying a rate of \$2 to \$3 an hour, companies can afford months of training, indoctrinating workers with the latest quality and lean-manufacturing systems. The workers are also young and open to new methods. After a decade of economic crisis and the naivety of their buying power, Mexicans are also hungry, willing to work hard and long. Top talents hone their skills at the many branches of Monterrey's Institute of Technology. Below them, a vast fix-it society, born of years of scraping by, is putting its re-

THE LOPSIDED NAFTA TRADE BLOC

The U.S. economy towers over North America, but 4 in 10 new job seekers come from Mexico



1992 GROSS DOMESTIC PRODUCT

through the North American Free Trade Agreement.

It's an unprecedented, politically explosive First World-Third World marriage. As Mexicans climb up the job ladder, they in essence fight *mano a mano*, for U.S. jobs. As hundreds of thousands of unemployed U.S. workers have discovered, "the jobs in the U.S. that are vulnerable are not the \$6-an-hour jobs, but the \$12-an-hour ones," says Harvey Shaiken, labor economist at University of California, San Diego. "It



**HIGH-TECH
TYROS: MIREYA
RUIZ DEVELOPS
SOFTWARE
FOR IBM IN
GUANAJUATO,
WHERE SKILLS ARE
AS HIGH AS IN
THE U. S.**

for Mexican duty. Friends treated him as a turncoat as Cummins laid off 100 workers in Fastoria. "I lost a lot of friends up there, but I gained a lot down here," he says.

The San Luis operation is one of Cummins' best-rated in the world. Its work force is young—the average age is 25—and highly educated. In fact, the local university pumps out so many engineers that many

sourcefulness to work on the factory floor.

Still, the bottom tier of workers, some 20 million with little schooling, toil in Mexico's pre-industrial world. They sharpen knives on grindstones attached to bicycles and hitch plows to solitary horses. Salinas knows that he must speed up the monumental job of improving Mexico's public schools and push more children through the system.

This is crucial for all of North America, with its work force graying in the north and growing in the south. With or without NAFTA, a growing share of the region's work force will be coming from youthful Mexico. Already, for some companies, the border is disappearing. In the old silver-mining town of San Luis Potosí, a six-hour drive north from Mexico City, Ken Reynolds, a 52-year-old machinist from Fastoria, Ohio, is helping install a new crankshaft line at a Cummins Engine Co. plant. It was a painful decision for Reynolds to volunteer

of them accept work on the factory floor just to get a foot in the door. The company sends workers for training to the U. S., and it organizes them in self-managed teams, where they learn a broad

range of jobs. Pay is low, with most workers earning about \$80 a week, plus another \$50 in government-mandated benefits. But in a country with no unemployment benefits, the union doesn't press hard for higher pay. "They're more interested in job creation," says Norman Brown, the plant manager. And more jobs are coming, thanks to the fac-

tory's high quality and low costs. Cummins is everything Salinas is after: It's modern, international, and strongly integrated into Mexico's economy, buying 30% of its parts locally.

Plants such as Cummins' are the culmination of Mexico's long march up from the *maquiladora*, or border assembly plant. A decade ago, when Mexico still ran a protected economy, it rented its excess cheap labor to U. S. companies. The result was clusters of *maquiladoras* along the U. S.-Mexico border. Hundreds of thousands of workers handled piecemeal work for U. S. industry, assembling imported parts and sending them back across the Rio Grande.

It was with that simple exchange of labor that Salinas sold free trade and Americans embraced it. Instead of sending offshore work to Asia, the thinking went, send it to Mexico. But a funny thing happened on the way to North American unity. Far from Salinas' whiz kids in Mexico City, in the vast deserts of Mexico's north, U. S. auto makers uncovered the potential of young, semi-skilled Mexican workers. By the late 1980s, Buick Centuries and Mercury Tracers made in Mexico were winning quality awards; Mercedes-Benz and Nissan Motor Co. were setting up plants; and Salinas' chief asset, his vast labor pool, was suddenly enhanced by the new mantra "quality."

UPGRADE OR ELSE. The carmakers remain the showcases for Mexican quality. But other manufacturers are taking the time to train young Mexicans—and reaping rewards. The turnaround began seven years ago, when Mexico joined the General Agreement on Tariffs & Trade and tore down its trade barriers. Suddenly, companies that were producing overpriced goods for Mexico's closed economy had to upgrade operations to world-quality levels. Otherwise, they would be buried by cheap imports. That spurred an industrial revolution in Mexico. For the first time ever, companies demanded quality from Mexico's industrial workers. And they delivered.

Now, an industrial elite led by companies such as GE, Kodak, Goodyear, Nissan, and a handful of Mexican blue-chips is doing the heavy lifting for Salinas' modernization. The President personally coordinates this investment, winning and dining executives, often bending his schedule to accommodate them. One time, even as he was heading abroad, Salinas squeezed in time for

**OUT OF LINE,
OUT OF A JOB:
INDUSTRIAL
ENGINEER ELIGIO
RODRIGUEZ CLAIMS
HE WAS FIRED
FOR TRYING
TO ORGANIZE
A UNION**



COVER STORY

Cover Story



General Electric Chairman John F. Welch Jr., picking up Welch in his limousine and chatting with him on the way to the airport. The personal attention didn't hurt. In the past three years, Welch has invested \$400 million to build refrigerators and ranges in Mexico.

To be sure, Mexico still has plenty of problems. Roads are cratered and crowded border cities are chaotic. And Salinas has yet to root out much of the corruption, from traffic cops to customs officials on the take. Plenty of U.S. businesses are happy to stay north.

But for those who head south, Salinas has helped clear the way with industrial policies like *el pacto*, Mexico's national wage and prices contract. First unveiled as an anti-inflation program in 1987, *el pacto* established guidelines on prices and wages endorsed by business and labor. It gave Salinas control over Mexico's transition from a closed to an open economy. Answering critics who complain about squeezed wages, Salinas and his team stress the war on inflation. Says Treasury Secretary Pedro Aspe: "Inflation is the cruelest tax on the poor."

Over the years, Salinas shifted the focus from prices to productivity. When the usually submis-

sive unions strike for higher wages, Salinas and his economists look at production. If the workers meet world standards—as do the Ford Motor Co. workers who struck at Hermosillo earlier this year—Salinas often lets the strike run its course. Ford workers in March won a wage hike that has been nudged up but is widely suspected of surpassing *el pacto*'s limits. Ford officials deny this. Indeed, wages could eventually inch up, as they have in Korea and Taiwan, eating into Mexico's advantage. But when workers do not pass muster on the government can deem the strike "political" and declare it "nonexistent." That forces workers to give up either the strike or their jobs.

Salinas established the new rules for labor last summer in what became a battle for the country's industrial future. While Salinas has never hesitated to hammer union bosses who crossed him politically, the President drew a new economic line with a strike at Volkswagen de Mexico. The battle erupted when the government-controlled union at VW, based in Puebla, signed on to a

**POTOSI
POWERHOUSE:
GENERAL ELECTRIC
HAS INVESTED
\$400 MILLION TO
BUILD APPLIANCES
IN MEXICO OVER
THE PAST
THREE YEARS**

massive restructuring plan to raise productivity. VW management insisted the new agreement was vital for global competitiveness. This was hardly idle talk, since VW supplies the entire North American market from Puebla. But a group of dissidents, fearing layoffs, opposed the plan. After weeks of a bitter strike, Salinas gave VW permission to rip up the

union contract. The company promptly fired 14,000 workers and rehired all of them, minus some 300 dissidents, under a new contract. Within days, VW revamped its entire Mexico operation—the German carmaker's first such experiment anywhere. Out is the old seniority system. Training, lots of it, is a must. Workers are now promoted according to skills and performance.

The dispute redefined the strategic role of Mexican labor. For 50 years, workers have been a pillar of the one-party system—strikebreakers, precinct leaders, gofers, and above all, Institutional Revolutionary Party (PRI) loyalists. The longtime union leader, 93-year-old Fidel Velázquez, had workers in lockstep behind the PRI for decades. Now the favored union leaders are like Francisco Hernandez Juárez, head of the telephone workers union, who has jumped on Salinas' productivity bandwagon. Today, workers are economic soldiers marching Mexico into the global economy.

Leading this army of workers behind

Low wages at
maquiladoras
allow
companies to
introduce
state-of-the-art
equipment and
techniques

Salinas is a cadre of internationally minded managers and engineers. Take Jose Berrondo, a 44-year-old Mexico City native who went to high school in Pittsburgh and later got an MBA from the University of San Francisco. Fifteen years ago, when Berrondo began his career at Mabe, a Mexican appliance manufacturer, his international experience mattered little. But in 1989, with Mexico's economy opening, GE teamed up with Mabe to make gas stoves in San Luis Potosi for North America. Next, GE bought into Mabe's refrigerator manufacturing in Queretaro. Suddenly, Berrondo, who runs both plants, has a green light to build world-class facilities.

It's a once-in-a-lifetime chance to devise his own manufacturing system. So Berrondo is borrowing pieces from all over the world—some from a trip to Korea, others from his dog-eared books on Toyota and Harley-Davidson. In the rapidly expanding Queretaro plant, he has instituted *kanban*, or just-in-time systems, borrowed a year ago from Toyota.

HIG AZUL. Mexican workers are also doing jobs that were once exclusive to America's high-tech corridors. Mireya Ruiz, 27, is developing software for IBM in Guadalajara. Her husband, Jorge Ramos, also a programmer, works there, too. Jobs like hers pay high wages for Mexico, up to \$1,600 a month. And despite IBM's turmoil in the U.S., its Mexico operation saw a 10% hike in sales last year and added 7% more jobs to the payroll. The head

office even decided to move a big software project from Rochester, N.Y., to Guadalajara, where software engineers are as proficient as they are in the U.S.—and half as cheap. The plant is one of IBM's bright spots worldwide. It manufactures 140,000 PS/2 personal computers and 4,400 AS-400 intermediate computers each year—nearly all for export.

More typical, though, are Mexicans like Arturo Arriaga, the Monterrey steelworker. Two years ago, the high school graduate passed a battery of psychological and aptitude tests and was placed in an elite "multiskills program" at steelmaker Galvax. He and 129 others attended night classes and learned how to work in Japanese-style groups. Since then, productivity has jumped, and Arriaga's pay has risen from \$47.75 to \$67 per week, plus overtime. While that still

doesn't give Arriaga a lot of money, he's not even thinking of joining his mother, a legal immigrant in the U.S. Screwing a bulb into a dangling light socket, he exclaims: "It's rare for companies to invest so much in training."

They sure don't along the 2,000-mile border with the U.S., where multinationals operate in a sort of no-man's land.

With one foot on each side of the border. Originally, no one in Mexico City or Washington paid much attention. Since the *maquiladoras* bought and sold next to nothing in Mexico, government economists didn't even consider them a part of domestic industry. But while Mexico was preoccupied with its debt crisis in the 1980s, the *maquiladoras* quietly devel-

NO RANGE AT THE HOME: IRONICALLY, MANY MEXICAN WORKERS STILL CAN'T AFFORD TO BUY THE PRODUCTS THAT THEY TURN OUT



oped from simple, labor-intensive assembly into sophisticated, world-class manufacturing.

Mexico's junior-high-school dropouts are now learning the skills of plastic injection, manufacturing TV sets, and assembling refrigerators. Companies benchmark the *maquiladoras* against competitors in Malaysia, Taiwan, and Korea. "Now we run our Mexican factories with basically the same premise as in the U.S.," says James Meyer, senior vice-president at Thomson Consumer Electronics Inc. in Indianapolis. "They use state-of-the-art, expensive, very, very modern equipment. These are not high-volume sweatshops."

MORALE BOOSTS. These days, Thomson doesn't hesitate to nail down the latest machinery to make its GE- and RCA-label TVs. But unlike the auto and appliance plants in Mexico's interior, the *maquila-*

doras don't do as much training, pointing to the high turnover rate—reaching 20% a month. Instead, they keep wages low and can afford to add extra layers of quality control.

Plant managers go to great lengths to boost morale at *maquiladoras*. In many ways, they turn the plants into industrial high schools, giving their young drop-

outs a version of high school life. They bus the workers to and from work and give them free lunch. They plaster walls with booster slogans and urge workers to play on the plant's soccer and baseball teams.

Still, workers desert the *maquiladoras* in droves, some quitting to take care of a child, others changing just to switch baseball teams. There's no loss in pay, since *maquiladora* associations fix salaries to avoid costly bidding. But after trying out two or three *maquiladoras*, many workers return home—or cross the U.S. border. Others take more lucrative work. "If you have to support yourself, the *maquila*'s impossible," says Virginia Segura, a 25-year-old prostitute in Tijuana who solicits business on a corner near the cathedral.

While the *maquiladoras* can boast of high growth and quality manufacturing, they're a public-relations disaster for NAFTA. Americans looking for a preview of North American free trade look first to the border, where they see industries that prevent their low-wage

workers from organizing, while Mexico City looks the other way.

NAFTA opponents argue that this imbalance keeps Mexican wages low, hastening the southward migration of jobs and dragging salaries downward throughout the region. They point to workers such as Eligio Rodriguez, a 33-year-old industrial engineer in Ciudad Juarez. Rodriguez says he was fired last summer from his \$123-a-week job at a components factory called Electronica Dale, which belongs to Vishay Intertechnology Inc. in Malvern, Pa. Now he's charging they fired and blackballed him for trying to organize a union. Dale's personnel chief, Robert Schmitt, won't answer questions about Rodriguez' case, saying only that Rodriguez is a member of the leftist Party of the Democratic Revolution, the PRI's main opposition.

That small conflict in Juarez is merely

Cover Story

one signpost pointing to the battles that lie ahead. But in the long run, the turmoil certain to accompany union—on both sides of the border—could be worth it. After all, a democratic, productive, and prosperous Mexico could help power North American growth well into the 21st century. But it's a relationship that needs careful handling. Says Xerox Corp. CEO Paul A. Allaire: "The key chal-

lenge of NAFTA is assuring that the harmonization of U.S. and Mexican standards is upward, not downward."

Meanwhile, workers at the GE-Mabe plant in Queretaro are soaking up everything they can from an English-language video on refrigerator assembly. Asked if they understand English, one answers "Claro que si"—of course. The others nod, keeping their eyes on the TV.

These are new North American workers, ambitious and hardworking, the first foreigners ever to pursue the American dream without pulling up stakes. Without leaving home, these Mexican workers are changing the face of North America.

By Stephen Baker in Mexico City, Geri Smith in Monterrey, and Elizabeth Weiner in Ciudad Juarez

NAFTA: THE 'SIDE AGREEMENTS' TAKE CENTER STAGE

George Bush negotiated the North American Free Trade Agreement, coddled it in Congress, signed it—but lost re-election. Now, with the trade pact awaiting congressional approval, it's Bill Clinton's agreement. And he's facing a rising din of NAFTA naysayers.

Problem is, Clinton can't open up the signed NAFTA without sinking it. So he

has promised to add two or three side agreements to the treaty, covering workers' rights and environmental standards. In the coming months, all of the continent's passion on both sides of the free-trade issue will funnel into these side agreements.

GOP REVOLT. At stake is nothing less than the entire package. Says Julius L. Katz, who negotiated the agreement under the Bush Administration: "If the President plays his cards wrong, this thing could go down the drain."

Clinton, who says he wants free trade with Mexico, treads a razor-thin line. Already, congressional Democrats, deluged by anti-NAFTA mail and phone calls, are scurrying away from the trade pact in droves. Clinton will need sweeping side agreements to bring supporters back. But if the agreements appear to wander too far from Bush's document, Clinton could face a revolt from Republicans, whose backing is vital.

Clinton seems certain to retreat at least a few steps from unfettered trade. To beef up labor rights, U.S.

negotiators, led by Trade Representative Mickey Kantor, are looking at "social" tariffs, fees to be imposed on companies found guilty of skirting U.S. labor standards south of the border. Already, NAFTA requires Company X, making toy watches in Mexico, to pay proper royalties in the U.S. If it doesn't, Customs can confiscate the watches or slap on high tariffs. Unions

and others want the same mechanism to apply to companies in Mexico that don't pay back wages, employ children, or pay sub-minimum wages. Another proposed remedy: a special "Section 301" that would give U.S. companies recourse if they claimed unfair competition due to repressed strikes. Some are also pushing a fee on all border-crossing

transactions. For Mexico's President Carlos Salinas de Gortari, the side agreements are just so much meddling from the north. But he's likely to swallow them, after putting up a fight, because the alternative—the collapse of NAFTA—is far worse. Salinas has tied his presidency to NAFTA. For NAFTA to fall just as Salinas is selecting a successor would weaken the free-trading wing of the ruling Institutional Revolutionary Party (PRI) at a crucial juncture in Mexico's political cycle. It would strengthen nationalist opponents of Salinas inside and outside the PRI. And it would link Salinas, currently regarded as a great Mexican President, to a historic failure.

Paradoxically, Salinas didn't need NAFTA to bring about the North-South economic marriage. The two countries were already well on their way toward common-law union.

BUTT But Salinas, betting heavily on Bush, used NAFTA as an enormous promotional campaign to attract investment. The billions of dollars that flowed south over the past four years helped Salinas balance his budget, refinance debt, and battle inflation. If NAFTA falls, the economy could be badly shaken, if only temporarily, as fair-weather investors flee the stock market.

Negotiators from both countries face the challenge of linking the First World to the Third with common laws and standards. If the current lukewarm economic climate doesn't perk up before fall, selling NAFTA to skeptical Americans could be one of Clinton's toughest tests yet.

By Douglas Horrocent in Washington, with Geri Smith and Stephen Baker in Mexico City



**THE BACKLASH
UP NORTH:
FEELING THE HEAT
FROM LABOR,
CONGRESSIONAL
DEMOCRATS ARE
ABANDONING THE
FREE-TRADE PACT
IN DROVES**

and others want the same mechanism to apply to companies in Mexico that don't pay back wages, employ children, or pay sub-minimum wages. Another proposed remedy: a special "Section 301" that would give U.S. companies recourse if they claimed unfair competition due to repressed strikes. Some are also pushing a fee on all border-crossing transactions.

For Mexico's President Carlos Salinas de Gortari, the side agreements are just so much meddling from the

AmeriMex MAQUILADORA FUND L.P.



AMERIMEX PARTNERS L.P.



Announcement

AmeriMex Partners L.P. is proud to announce the formation of the AmeriMex Maquiladora Fund, L.P. (the "Fund"). Negotiations for Fund acquisitions have commenced, and the Fund is now seeking additional investors to subscribe for the balance of the Fund's maximum size.

Purpose

The Fund will seek to acquire controlling interests in small to mid-sized U.S. manufacturing companies with a view to moving all or a portion of the manufacturing operations of each company to Mexico as "maquiladoras." The term "maquiladora" refers to a mass production or assembly plant in Mexico. The Fund anticipates that moving the manufacturing operations of its portfolio companies to Mexico will significantly reduce the labor costs of production and enhance the profitability of these companies. The Fund currently intends to develop its maquiladoras primarily in the Yucatan peninsula.

Fund Size

\$155,000,000 maximum
fund size

Please be advised that the delivery of this prospectus is not an offer to sell or a solicitation of an offer to buy limited partnership interests in the Fund. Such offer shall only be made after the delivery to you of a Confidential Memorandum and other subscription documents. A fund interest to be sold in the Fund should not be based on the summary of the Fund contained in this prospectus.

GENERAL PARTNER / MANAGER

The General Partner of the Fund is AmeriMex Partners L.P. and the Manager of the Fund is AmeriMex Management, L.P. The General Partner and the Manager will utilize R. Paul Sprague and Adolfo Peniche Perez and their staffs to provide management and administrative services and investment advice to the Fund.

Nacional Financiera S.N.C. Nacional Financiera S.N.C. ("Nafinsa") is a Limited Partner of the General Partner and the Manager and is a significant investor in the Fund.

Nafinsa is the largest state owned industrial /development bank in Mexico for private sector industry and has been active in investments which create employment and opportunities for Mexico. As one of Mexico's leading financial institutions with a history of international involvement, Nafinsa's participation in the Fund could facilitate access to different governmental agencies and direct contacts with commercial banking sources in both Mexico and the U.S.

INVESTMENT POLICY OF THE FUND

It is anticipated that the main features of the Fund's investment policy will be as follows:

Size: Number: Concentration of Investments - The Fund's equity in its acquisitions typically will range in size from \$US2-\$US6 million. In no event will more than the greater of (i) \$US5,000,000 or (ii) 20% of the Fund's committed capital be invested in a single company. If the Fund's committed capital is approximately \$US50,000,000, it is anticipated that the Fund will make 9-13 investments.

Nature of Investments - The Fund will obtain the entire or a controlling equity ownership of portfolio companies, to be in a position to control the operation of such companies and the timing and manner of their ultimate disposition. The Fund will purchase established domestic United States companies suitable for maquiladora acquisitions, wherein a portion or all of the manufacturing operations will be relocated to Mexico to take advantage of savings in the cost of labor. It is anticipated that the acquisitions will be on a leveraged basis. Investments made by the Fund will be in equity securities of the businesses being acquired.

Maquiladora Benefits - The Fund will seek to acquire companies where labor is a significant component of company's cost of goods sold. It is anticipated that within six to eighteen months after a company has been acquired by the Fund, the designated portion of the company's manufacturing operations will be relocated to Mexico to take advantage of reduced labor costs. We estimate that manufacturing companies that experience fully loaded, gross labor costs in the \$US7-\$US10 per hour range in the U.S. may be able to utilize labor in a Mexico maquiladora at fully loaded, gross labor cost of \$US1.15-\$US1.50 per hour. Though each situation may vary, it is estimated that this could translate into annual savings of \$US10,000-\$US17,000 per employee involved in the relocated manufacturing operations. The foregoing is intended only as an illustration, and there can be no assurance that the companies acquired by the Fund will recognize benefits of this magnitude. In addition, the foregoing does not address costs of relocating operations from the United States to Mexico. Though each company will be acquired with the objective of developing a maquiladora manufacturing operation in Mexico,

it is anticipated that the marketing, warehousing, distribution and, in some cases, a portion of the manufacturing operations, will remain in the United States.

Desired Characteristics - Investments generally will be made in U.S. based companies which have some combination of the following characteristics:

- Low to mid-technology manufacturing operations.
- Sales in the range of \$US10,000,000 to \$US100,000,000.
- Moderate to good growth.
- Excellent management and sales teams willing to stay with the company after acquisition.
- Proven products that have been on the market for at least three years, preferably a brand-name.
- Labor component of 20% to 30% of cost of goods sold.

Disposition of Investments - Investments will be made with a view to profitable realization within the initial ten-year life of the Fund. It is anticipated that most investments will be retained for 3-8 years, but some investments may be realized earlier or later.

ALLOCATION OF GAIN AND LOSSES

On an annual basis, Gain will be allocated among the Partners (including the General Partner): first, in accordance with their percentage interests in the Fund to offset any Losses previously allocated; second, in an amount equal to a preferred return on contributed capital equal to the prime rate plus 2% through the date of allocation; and the balance, if any (the "Profits Interest"), 80% to the Partners (including the General Partner) and 20% to the General Partner in accordance with their percentage interests in the Fund.

On an annual basis, Losses will be allocated among the Partners (including the General Partner): first in an amount equal to Gain allocated to the Partners as Profits Interest; second, in an amount equal to Gain allocated as a preferred return; and the balance, if any, in accordance with the Partner's percentage interests.

BACKGROUND OF GENERAL PARTNER AND MANAGER

The General Partner and the Manager will utilize the services of R. Paul Sprague, Adolfo Peniche Perez and their staffs, who collectively have many years of experience in leveraged buyouts, corporate finance, investment banking and operation of companies, and who have bought, sold and managed companies in diverse industries for their own accounts, individually and in partnership with others, and as agents or representatives for others. They have extensive experience in locating, analyzing, structuring, negotiating, financing, monitoring and managing corporate acquisitions in the small to medium-sized range. As a result of this experience, these persons have relationships with numerous individuals and organizations in the investment banking, corporate and financial communities. It is anticipated that these contacts will be of valuable assistance in the operations of the Fund.

Furthermore, Mr. Peniche and his staff have extensive experience in starting and developing manufacturing facilities in Mexico. This includes involvement in the establishment and operation of 18 maquiladora manufacturing operations in Mexico.

R. PAUL SPRAGUE



R. Paul Sprague

"The world is not static. Western Europe has access to the Eastern European labor force while Japan has relocated substantial manufacturing capabilities to neighboring Far Eastern countries. Clearly, a U.S./Mexican partnership emphasizing the sharing of technology and labor will make North American goods more competitive throughout the world."

R. Paul Sprague

Mr. R. Paul Sprague will be the sole shareholder of the general partners of the General Partner and Manager of the Fund and will be co-chairman of the Fund's Board of Advisors. He is also Chairman of the Board of Warwick Group, Inc. and Warwick Consulting Group, Inc. of New York, New York. Mr. Sprague has been active in the acquisition and management of small to medium-size companies for the past twenty-seven years. Mr. Sprague has acquired or developed over forty companies with groups of investors, for his personal account, and as the chief executive of two publicly traded companies. He has taken companies public, has publicly and privately financed acquisitions, helped refinance one of Wall Street's leading investment banking firms, and has owned numerous companies in various industries. Additionally, Mr. Sprague has negotiated the purchase or sale of many companies for clients of Warwick Consulting Group, Inc. Mr. Sprague is currently a principal in several operating companies.

Mr. Sprague has participated in transactions in the fields of department stores, machine tools, laboratories, knitting mills, textiles, banking, fashion, manufacturing, fast food restaurants, specialty retail stores, building products, real estate development, toy manufacturing, food stores, steel products, nutritional products, office and hotel amenities.

Mr. Sprague has been an active member of the Young President's Organization ("YPO"), a worldwide organization for company presidents. He has held several YPO offices, including Senior Vice President International and Senior Vice President for Education. He is a member of and has served on the Board of Directors of Chief Executives Organization, the senior organization for company presidents. He is an active speaker on leveraged buyouts and mergers and acquisitions to YPO, CEO and other audiences and is a recognized authority on the acquisition and sale of small and medium-sized companies.

Mr. Sprague has served on the faculty of New York's School for Social Research and lectures regularly at the Schools of Business Administration at Georgetown University and IPADE University in Mexico City. He serves on the Board of Directors of the American Women's Economic Development Corporation, a non-profit organization devoted to assisting women business owners. He also serves on a number of other corporate Boards of Directors.

ADOLFO PENICHE PEREZ

Mr. Adolfo Peniche Perez will be co-chairman of the Fund's Board of Advisors. For the past thirty years, Mr. Peniche has been involved as the CEO and owner of various business entities and as a public servant. After graduating from the University of Nebraska in 1961, he formed the company AgroIndustry. This company was involved in the animal feed business and has a number of processing and distribution centers throughout southeast Mexico. AgroIndustry later expanded its activities into cattle ranching, milking, poultry and hog farming operations.

In 1970, Mr. Peniche became Chairman and CEO of Universal de Valores, S.A. De C.V., a joint venture with DESC Group of Mexico, a billion dollar company. This entity owned and managed 24 companies throughout Mexico which processed animal feed and operated feed processing plants, hatcheries, and hog, chicken and cattle ranches achieving annual sales of over \$US100,000,000.

After serving in this capacity for over 14 years, Mr. Peniche left the private sector and became Secretary of Economic Development for the government of the State of Yucatan, Mexico. During the four years of serving in the public sector, he worked directly with the governor of Yucatan and with both Mexican and foreign investors to stimulate industry, agriculture, fishing and tourism. In this role, he was instrumental in coordinating with the Mexican government, at the federal level, new investment policy, financial strategy and maquiladora policy and direction, all designed to stimulate the Mexican economy.

In 1988, Mr. Peniche combined his corporate experiences with his knowledge of the economic development process, to assist in the start-up and the operation of three maquiladoras.

These maquiladoras are:

Industria Textil Maya - Garment Manufacturer
Reylek Internacional - Dental Crown Laboratory
Articulos Deportivos
de Exportacion - Berkeley Fishing Rods

Mr. Peniche has recently been appointed and is currently serving as the Secretary of Treasury of the State of Yucatan, Mexico. He also serves as Chairman of San Angelo Sports Products, Inc. The company manufactures hunting and camping accessories and has recently moved its manufacturing to Yucatan as part of a maquiladora project. In total, Mr. Peniche has been involved with the establishment and development of 18 maquiladora operations.

As mentioned, Mr. Peniche was educated at the University of Nebraska, where he received a B.S. degree, and graduated in 1976 from Harvard's Advanced Management Program. Mr. Peniche continues to be an active speaker to business and educational groups on maquiladoras and economic development.



Adolfo Peniche Perez
"Mexican based
production facilities
usually located only a few
hours away from major
U.S. cities, can provide
U.S. companies with
access to competitively
priced labor with which to
manufacture world class
quality products."



"You can't cut labor costs 300% in 90 minutes."



YES YOU CAN YUCATAN

Where labor costs average under \$1 an hour, including benefits. Far, far less than in the Far East. And less than CBI, Central America and even less than the rest of Mexico.

The employee turnover rate is less than 5% a year.

We're only 460 miles and 90 minutes by air from the U.S.



And you could save over \$15,000 a year, per worker, if you had an off-shore production plant here.

So if you want to see how well you or your plant managers can live here while making your company more competitive in world markets, call for a free video tour of the State of Yucatan at 703-295-1793.

**When the U.S. is too expensive and the Far East too far,
"Yes You Can In Yucatan."**

*Government of the State of Yucatan, Mexico.
Department of Industrial and Commercial Development.*

"I can't keep my labor costs down, my turnover rate low, and my standard of living high."



YES YOU CAN YUCATAN

Where labor costs average under \$1 an hour, including benefits.

And the employee turnover rate is less than 5% a year.

We're only 460 miles and 90 minutes by air from the U.S.

And you could save over



\$15,000 a year, per worker, if you had an offshore production plant here.

So if you want to see how well you or your plant managers can live here while making your company more profitable, call for a free video tour of the State of Yucatan at 708-295-1793.

**When the U.S. is too expensive and the Far East too far,
"Yes You Can In Yucatan."**

Government of the State of Yucatan, Mexico.

Department of Industrial and Commercial Development.

**"I can't find good, loyal workers
for a dollar an hour within a
thousand miles of here."**



YES YOU CAN YUCATAN

We're only 460 miles and 90 minutes by air from the U.S.

Labor costs average under \$1 an hour, including benefits. Far lower than in the Far East. And less than CBI, Central America and even less than the rest of Mexico.

The turnover rate is less than 5% a year.



And you could save over \$15,000 a year, per worker, if you had an offshore production plant here.

So if you want to see how well you or your plant managers can live here while making your company more competitive, call for a free video tour of the State of Yucatan at 708-295-1793.

**When the U.S. is too expensive and the Far East too far,
"Yes You Can In Yucatan."**

*Government of the State of Yucatan, Mexico.
Department of Industrial and Commercial Development.*

RUNAWAY AMERICA



A list of U.S. corporations that have moved to Mexico

This preliminary list is excerpted from
the forthcoming book *Runaway America:*

U.S. Jobs and Factories on the Move

by Harry Browne and Beth Sims.

The Resource Center is a non-profit organization
that since 1979 has examined U.S. foreign relations
with Mexico, Central America, and the Caribbean.

This report is Copyright © 1993

by the Inter-Hemispheric Education Resource Center.

Resource Center

Box 4506

Albuquerque, NM

87196

(505) 842-8288

Fax: (505) 246-1601

Methodology • Introduction

Attached are the preliminary results of the Resource Center's year-long investigation into the shift of manufacturing jobs from the United States to Mexico. We believe it is critical to see this shift in the light of a globalizing economy that is following the lines laid out for it by the pro-business governments of the world's major industrialized nations. We have focused on Mexico both because of the pending North American Free Trade Agreement and because Mexico is by far the dominant location for offshore production-shifting by U.S.-based manufacturers. It is our strong hope that the list will not be used to attack Mexican workers, who far from "stealing" U.S. jobs find themselves forced by their own government's neoliberal economic policies to compete with their un- and underemployed compatriots and with counterparts throughout the world for the favor of international investment capital.

We will publish a larger, updated list of runaway plants in book form in May, 1993. *Runaway America: U.S. Jobs and Factories on the Move* will provide background on international economic integration, Mexico's *maquiladora* sector, and the costs to workers and communities of U.S. deindustrialization. It will also analyze the reasons corporations move to low-wage export platforms and will look at the alternatives available on the local, national, and international levels to force corporations to be accountable to their workers and communities.

Runaway America began as an offshoot of the Resource Center's efforts to understand the ramifications of the proposed North American Free Trade Agreement. Two of the primary concerns voiced by NAFTA's opponents center on the fact that an agreement would enhance U.S. capital's ability and willingness to cross the Mexican border.¹ Labor advocates, environmentalists, and others argue that greater capital mobility will accelerate the movement of manufacturing jobs from the United States to Mexico and encourage corporations to avoid relatively strict U.S. environmental laws and regulations by shipping their most highly polluting operations south.

In making these points NAFTA opponents have relied largely on common sense and anecdotal evidence. The latter comes from high-profile cases such as Zenith's large-scale and on-going move from Iowa, Indiana, Illinois, and Missouri to Ciudad Juarez and Reynosa and less well-known examples such as Sonocal's decision to move its lime plant from Naco, Arizona, to Naco, Sonora, after the EPA shut it down for particulate noncompliance in 1976.² Although both common sense and anecdotal evidence can be persuasive—and indeed are sufficiently powerful to put NAFTA's congressional fate in doubt—we felt that a comprehensive list of production that had moved to Mexico in the last decade would make pro-worker and -environment arguments even more compelling.

We have selected a relatively narrow definition of "runaway production": a long-term net reduction in employment at a U.S. facility accompanied by an expansion of employment at a new or existing Mexican facility producing an identical or updated good or service and controlled by the same parent company.

It should be emphasized that this definition intentionally omits three of the principal means by which U.S. jobs *indirectly* move abroad:

- "Outsourcing." This refers to a decision to halt production in the United States as part of a decision to purchase certain materials or components from independent suppliers rather than producing them in-house. This problem is particularly acute in the apparel industry since a large proportion of the clothes we wear are made by subcontractors. Liz Claiborne, for example, employed only 250 people in manufacturing in 1986, relying instead on dozens of independent shops in several countries, including Mexico.³ It would be very difficult for an outside observer to track the firm's shifting supplier base, much less to determine which shifts should be counted as runaway production.
- Conversion from manufacturer to importer. In the extreme form of outsourcing a company retains its distribution and marketing networks but gets out of the business of making things

Resource Center

Box 4506

Albuquerque, NM

87196

(505) 842-9289

Fax: (505) 246-1601

altogether. Many U.S. consumer electronics firms have taken the route. After finding their manufacturing profit margins undercut by imports they focus on the more lucrative business of selling—often hawking their former competitors' products. Even the marketing activity can be short-lived, however; once the U.S. firms have established consumer demand for a given product, the foreign manufacturer often decides to sell its own goods under its own name, and is in a good position to undercut its U.S. partner's retail prices.

- Declining employment due to import competition. In the apparel industry, one of the hardest hit by low-cost imports, the partial relaxation of U.S. import controls has meant that foreign garments now account for 60 percent of all apparel sold in the United States, compared to 20 percent in 1970. According to a union researcher this surge in imports has cost U.S. workers some 425,000 jobs over last 20 years.⁴

In choosing to list only those plants where a direct production shift took place, we are also ignoring the opportunity cost to the U.S. economy of jobs created in Mexico by the expansion of activities there rather than in the United States. Thus Cummins Engine's 1991 decision to set up two new crankshaft lines in its state-of-the-art facility in San Luis Potosi rather than in Fostoria, OH—or other U.S. plants that could perform the work—does not appear in our list.

Compiling the list proved to be a tremendous challenge and it is very likely that we have identified fewer than had the U.S. work sites that have lost some or all of their production jobs to Mexican plants. There are a number of reasons for this:

- Few corporations broadcast their intention to send jobs to Mexico, viewing the move as a potential public relations liability. The response of an executive with defense contractor Teledyne Ryan to questions about his firm's two maquiladoras was typical: "The company regards (its Mexico operations) as a proprietary matter, and (company officials) have no comment."⁵
- Runaway production rarely follows the classic pattern of a closing in the U.S. accompanied by a new facility making the same product in Mexico. Instead it often occurs through a gradual decline in orders filled by one plant and a gradual buildup of work assigned to another. Tracing such a shift may be further complicated by an upgrade of the item being produced; production of the obsolete version is allowed to taper off in one location as production of the newer model expands abroad.
- Runaway production can happen as part of a "consolidation," "rationalization," or "restructuring" of productive activities that resembles a shell game with production being split and shuffled among numerous plants.

We began by establishing a database of foreign-owned manufacturers in Mexico whose production is geared to the U.S. market. The export orientation of the firms is crucial: we wanted to target companies that replaced U.S. workers with Mexican workers but continued to sell their products or services to the same U.S. customers. We used several directories to gather information on foreign-owned manufacturers in Mexico, but by far the most useful was *The Complete Twin Plant Guide* (El Paso, TX: SOLUNET, 1991). To make the task more manageable we excluded plants with fewer than 50 employees from our database. Despite this restriction the list contains over 1,600 foreign-owned plants in Mexico. When available, we recorded each plant's primary products, the size of its work force, and the date it began operations.

Gathering complete and accurate data for Mexican manufacturing operations was a painstaking task, but it was far more difficult to gather systematic information about plant closings or permanent layoffs in the United States. Before 1989 employers were under no obligation to make public their layoffs or shutdowns. The Department of Labor collects data on mass layoffs, but this information is aggregated by state and industry and sheds no light on individual corporate activities. Since the Worker Adjustment and Retraining Notification (WARN) Act took effect in February 1989, each state has maintained lists of closings and large-scale layoffs. But the WARN Act is riddled with loopholes that greatly weaken its usefulness to the workers and researchers. Recent estimates indicate that well over half of the mass layoffs the act was

Resource Center

Box 4506

Albuquerque, NM

87196

(505) 842-8288

Fax: (505) 246-1601

intended to cover go unreported. From a researcher's perspective, even worse is the absence of useful information included in WARN listings and the inaccessibility of these listings to the public in several states. Only a handful of states—Wisconsin, North Carolina, and Illinois stand out—provide information about the product or industry involved in a layoff or shutdown. Nearly one-half fail to differentiate among shutdowns, permanent layoffs, and temporary layoffs. And ten states, including California, either refuse to release their lists in any form or make it too costly or difficult to obtain.

Lacking a systematic approach to the problem,⁶ we turned to various indexes and databases covering business, industry, and general topics. We sent nearly 700 names of corporations to the DataCenter in Oakland, California, which has been cataloging plant closings across the nation since 1977. We scoured the printed indexes of major newspapers of record—including the *Wall Street Journal*, the *Washington Post*, and the *New York Times*—through the 1980s. For more recent years we used Dialog Information Services' on-line Knowledge Index, which offers complete text access to 33 newspapers, and Predicasts' F&S Index Plus Text on CD-ROM. The most productive source of information on U.S. closings and layoffs, however, was a little-known service called NewsBank, with headquarters in New Canaan, Connecticut. NewsBank's Business Journal Index offers microfiche copies of over 200 local business-oriented publications from all 50 states, the District of Columbia, and Puerto Rico. Because they are generally based in small towns, these publications often provide details on layoffs and closings that are left out of larger papers or magazines.

We also contacted the research departments of the ten major unions we believed are most affected by the movement of manufacturing jobs to Mexico. Two of the unions—the International Brotherhood of Electrical Workers (IBEW) and the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE)—had undertaken systematic surveys of their locals, and another—the Amalgamated Clothing and Textile Workers Union—had compiled a list of examples. The AFL-CIO had also put together a list of 38 affected plants. Unfortunately, the local officials responding to the IBEW and IUE surveys—dozens of whom we interviewed—often did not know exactly where in Mexico their corporate employers had sent the work.⁷

The foregoing caveats make it clear that the attached list represents only a small portion of the flight of U.S. jobs to Mexico. And Mexico has received only a portion of all U.S. jobs shipped overseas. Nevertheless it is an instructive list, and it illustrates the breadth of jobs and regions affected by runaway employers. The list and the research behind it also highlight the failure of the U.S. government to collect critical information on the functioning of the national economy. This failure results from the desire to downplay the extent of human suffering attributable to neoliberal economic policies as well as from free market ideology, which refuses to acknowledge that government can and should concern itself with monitoring and ameliorating the effects of such "microeconomic" events as plant closings.

1. NAFTA would strengthen investor confidence in the staying power of Mexico's pro-business policies, phase out significant U.S. barriers to certain exports from Mexico, and shift the center of gravity of corporate production networks in the south by opening markets of Mexican markets to goods produced by foreign-owned plants.

2. Greg Korte, "Luna Once in My Children's Lungs," *T* magazine, March 26, 1991, Nogales, Arizona.

3. John H. Wilson, "And Now, the Pro-nuclear Conversion," *Business Week*, March 3, 1986, pp. 64-71.

4. James Pines, "Fashioning an economic Strategy for Communist Workers," *Southern Manufacturing Labor Resource Review* #19, p. 56.

5. Quoted in Elizabeth Osofsky, "Defense Firms Look to Mexico," *Salt Spring Tribune*, May 15, 1988, p. A4-1. Some companies made a different calculation, purchasing a move to Mexico in order to gain bargaining leverage over unions at home governments or to circumvent what they saw as attempts at national or state economic control.

6. One systematic approach to tracing employment shifts within the United States would be to use the U.S. Census of Economic Activity, which provides firm-specific information on manufacturing employment in factories across the country. This approach was used by Professor David Reardon of the University of Illinois at Chicago to document job loss at firms in the Chicago area that sold export Mexican facilities. But the expense of conducting such a survey across the country is prohibitive, and the assumption of government records is also about the reasons for job losses, giving the researcher important needs but requiring very conversations before work.

7. The true effects cannot be limited to this case of information, however. As noted earlier, corporate spin doctors frequently refuse to reveal where production is moving, and often fail to be about as complete as they claim to be. One who refused to answer to AT&T's Reston, Virginia, plant was forced to say deceptive with the company's spinning division to confirm his suspicion that an AT&T facility in Mexico was producing parts that had formerly been made in Reston. See Michael Maltz, "Unleash a Charge About Mexico Has Over Effect," *Washington Times-Journal*, August 14, 1992, p. E-1.

Resource Center

Box 4506

Albuquerque, NM

87196

(505) 842-8238

Fax: (505) 246-1601

THE RUNAWAYS

PARENT COMPANY	from the United States				to México		
	SUBSIDIARY	LOCATION	PRODUCT/SERVICE	JOB ¹ LOST	DATE ²	COMPANY	LOCATION
A.C. Nielsen Co.	Nielsen Clearing House	Clinton, IA, & Chicago Area	Coupon sorting	1001	1986/1986		Ciudad Juárez, Durango, Chihuahua, Cuernavaca, Nuevo Laredo
A.C. Nielsen Co.	Nielsen Clearing House	TX	Coupon processing	131	July 1990		"
A.O. Smith Corp.		Kankakee, IL	Water heaters	310	1986	Productos de Agua	Ciudad Juárez
A.O. Smith Corp.		Upper Sandusky, OH	Electric motors	550	1981/1991	10 electric motor/parts plants	Ciudad Juárez & Ciudad Acuña
A.O. Smith Corp.		Tippecanoe, OH	Electric motors	1000	1980s	"	"
A.O. Smith Corp.		Mt. Sterling, KY	Electric motors	ca. 1000	1980/1992	"	"
AT&T		Bedford, VA (Fairfax)	Communications equipment	2000	Feb. 1990	AT&T Microelectrónica	Mérida
AT&T		Little Rock, AR	Telephone answering machines	470	1989	AT&T Productos de Consumo de México	Guadalajara
AT&T		Shreveport, LA	Telephone sets	100	1991/92		"
Aushield Inc.		Bridgeport, CT	Acoustic shields	40	1991		"
Allen-Bradley		Milwaukee, WI	Resistors	n/a	Early 1980s	Allen-Bradley Electrónica	Mérida
Allied Signal	Bendix Safety Restraints	Knoxville, TN	Seat belts	1200	1986	American Safety Bendix, Sistemas de Seguridad Bendix	Ciudad Juárez
Allied-Signal	Bendix Safety Restraints	Greenville, TN	Seat belts	500	1988/1990	"	"
Alphalab Inc.	NCA Inc.	Durham, NC	Harnesses (for GM)	250	1987	Alhabad de México	Chihuahua
Alia Inc.	Alkene brand products	Builton, CA	Air & crafts materials	52	1991		Tijuana
							650
							n/a

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to México; "ca." indicates an estimation and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during the stated period of time. A "1" separates dates of one year job losses. ³ "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in México; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States				to México		
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT / SERVICE	JOBS ¹ LOST	DATE ²	TOTAL ³ EMPLOY
BRK Electronics	Pillway Corporation	Chicago, IL	Smoke detectors	400	1989-1992	Ciudad Juárez 99J
BRK Industries/Billy The Kid	Horiz, Inc.	El Paso, TX	Apparel	400	1988-89	Ódamez Palacio (2) n/a
BTR Dunlop PLC (UK)	Bausus Technologies	Uniontown, PA	Electronic components - wire mesh	130	1990-91	Ciudad Juárez n/a
BTR PLC (UK)	Stewart-Warner Corp.	Spring Valley, IL	Auto speedometers	Up to 1000	1989-1991	Ciudad Juárez n/a
BTR PLC (UK)	Stewart-Warner Corp.	Bridgeport, CT	Auto speedometers, etc.	ca. 700	1989-1991	"
BTR PLC (UK)	Stewart Warner Corp.	Chicago, IL	Auto speedometers, etc.	ca. 700	1989-1991	"
Badger Meier		Milwaukee, WI	Utility meters	n/a		Hogabos 165
Baxter Health Care Corp		Mahwah, NJ	Disposable hospital garments	105	1999	Chihuahua, México, Ciudad Juárez 5400
Bayly Corp.		Sanger, CA	Apparel (OP, Bugle Boy)	ca. 350	1990	Ciudad Juárez 810
Bayly Corp		Visalia, CA	Apparel (OP, Bugle Boy)	ca. 250	1988	"
Barton Dickinson		Hancock, NY	Intravenous tubing	n/a	1984-88	Ciudad Juárez n/a
Bemis Co. Inc.	Multi-Hel Division	St. Louis, MO	Open mesh bags	150	1987	San Luis Potosí n/a
Bridge & Sinton		Wauwatosa, WI	Automobile fuses	39	1992	Ciudad Juárez 350
Burnswick Corp	Force Outboards	Hartford, WI	Outboard motors (401 hp)	100	Jan 1992	Ciudad Juárez 565
C. R. Bard Inc.		Murray Hill, NJ	Medical supplies	230	March 88	Hogabos 600

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to Mexico; "ca." indicates an estimation and "n/a" means the figure is not available.
² A range of dates indicates that job losses were ongoing during the stated period of time. A "x" separates dates of one time job losses.
³ "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States

to México

PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT/SERVICE	JOB ¹ LIST	DATE ²	COMPANY	LOCATION	TOTAL ³ EMPLOY
CFR International Inc.	formerly CFR America	San Diego, CA	Antenna	ca 250	Nov. 1990		Tijuana, Ensenada, México City, Coahuila State	n/a
Cardinal Tables of California		Chesworth, CA	Furniture	130	1990		Tijuana	500
Cerdisio Plastics Inc.		Englewood, CO	Plastic manufacturing	66	Aug. 1992		Tijuana	72
Chrysler Corp.		Indianapolis, IN	Electric automotive parts	975	1986	Plásticos Bola several plants	Ciudad Juárez & elsewhere	2500
Chrysler Corp.	Coleman Products Co.	Coleman, WI	Auto harnesses	450	1990	Coleman de Obregon	Ciudad Obregon	1500
Circuit Wise Corp.		New Haven, CT	Wire harnesses for autos	46	1982	Circuitos Impresos de Chihuahua	Chihuahua	65
Cohert Products Inc.		Los Angeles, CA	Pipe flanges	n/a	1987/1990		Tijuana	n/a
Combustion Engineering Inc.	Taylor Instrument	Rochester, NY	Electronics	200-300	1985	Sistemas y Instrumentaciones	Nuevo Laredo	400
Cooper Industries		Emeryville, VA	Circuit breakers	100	1990-81	Componentes e Interconexiones	Ciudad Juárez	674
Cooper Industries	Arrow Heli	Danabson, CT	Electric components & switches	200	1986	Arrow Heli & Componentes e Interconexiones	Guadalupe & Ciudad Juárez	1024
Cooper Industries	Arrow Heli	Lewiston, ME	Electric switches, outlets etc.	10	1980			*
Cooper Industries	Bussman Division	Bristol, CT	Electric fuses	330	1990	Componentes e Interconexiones (see above)	See above	See above
Cooper Industries	Cooper Power Systems	Olean, NY	Fuse links (high-voltage fuses)	15	ca. 1988	Sistemas de Energía de Metemoros	Metemoros	300
Cooper Industries	Crouse Hinds	Chicago, IL	Outdoor light equipment	90	1985	Componentes de Iluminacion	Ciudad Juárez	494
Cooper Industries	Halo Lighting	Chicago, IL	Lighting fixtures	120	1990-81			*

¹ - JOBS LIST reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available.

² - A range of dates indicates that job losses were ongoing during the stated period of time. A "x" separates dates of one time job losses.

³ - "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States				to México				
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT / SERVICE	JOBS ¹ LOST	DATE ²	COMPANY	LOCATION	TOTAL ³ EMPLOY
Cooper Industries	Halo Lighting	Los Angeles, CA	Lighting fixtures	100	1988			
	Wagner Brake	Los Angeles, CA	Brake shoes	115	1991		Tijuana	
Cooper Industries	U.S. Elevator	Spring Valley, CA	Elevators & parts	ca. 100	1985-89		Masculi (2 plants)	200
Cable Corp.								
Dale Electronics		El Paso TX	Computer parts	384	Jan. 1981	Olea Electrónica	Ciudad Juárez (3 plants)	910
Dale Electronics		Robbinsville MO		80	Jan. 1990			
Douglas Furniture		Los Angeles, CA	Dining room furniture & recliners	n/a	1985	Industrias Cohn	Tijuana	1000
Elcon Corp.								
		Milwaukee, WI	Electronic controls	59	Nov. 1992	Conduca/Apaccon	Matamoros	1554
Elmhurst Fab. Inc.		Wilkes Barre, PA	Pencils	100	1986	Elmhurst Fab. de México	Nogales	n/a
Elka Plastic Corp.		Bayonne, NJ	Plastic teletextols	225	1988	Plásticos Elka de México	Toluca, Jalisco	n/a
Electro Wire Products Inc.		Owosso, MI	Automotive harnesses	337	Feb. 1990	Anexas de Juárez	Ciudad Juárez (at least 8 plants)	3000
Emerson Electric Co.	Deart Electric	Cedarburg, WI	Speed reducers for electric motors	230	1990-91	Molinos U.S. de México, Elcieltex	Apodaca (2), Ciudad Juárez	1000
Emerson Electric Co.	Emerson Electric Space Co. (ESCO)	St. Louis, MO	Circuit board wiring harnesses	35	1986-89	Elcieltex y Espacio (ESMER)	Ciudad Juárez	70
Emerson Electric Co.	U.S. Motors	Phoenix, AZ	Motors	270	1988-89	Molinos U.S. de México	Apodaca, Ciudad Juárez	402
Emerson Electric Co.								
		Pittsburgh, PA	Heating elements	n/a		Wigand	Nuevo Laredo	409
Emerson Electric Co.	W.L. Wiegand Div.	Vernon, CA	Furniture	n/a	May 1989		Tijuana	300
Eric Morgan Inc.		Bloomington, IL	Vacuum assembly & components	Over 200	1980s-1990s	Appliance Components	Ciudad Juárez	700
Eureka Manufacturing Co.								
Evanno Products Inc.	Evanno Juvenile Furn. Co.	Stevens Point, WI	Children's furniture	60	June 1991		Tijuana	n/a

¹ JOBS LOST reflects only those jobs at each work site that were sent to Mexico; "ca." indicates an estimate and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during the stated period of time. A "g" separates dates of one time job losses. ³ TOTAL EMPLOY gives the total number of employees at the facility(ies) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States				to México				
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT / SERVICE	JOBS ¹ LOST	DATE ²	COMPANY	LOCATION	TOTAL ³ EMPLOY
Fairch Manufacturing Co.		El Paso, TX (3 plants) - Pulsano Plant - Gateway Plant - Third Street Plant	Apparel	Over 2000	1986-1990		Ciudad Juárez (2), Chihuahua, Piedras Negras, Guisat (3), Toluca	2500
Fisher Scientific Group	Inmed Group	Los Angeles, CA	Tubing, valves for medical pumps	Dozens	1988		Tijuana	111
Fleck Inc.		Biloxi, MS	Appliance power cords & wire harnesses (for Ford)	200	1988-1992		Ciudad Juárez	297
Ford Motor Co.		Chesterfield Township, MI	Automotive seat covers	800	1981-1991	Favasa	Ciudad Juárez	3200
Ford Motor Co.	Ford Electronics & Relay Corp.	Connersville, IN	Copper brass radiators, hoses	450	1984 & 1993	Cocelia	Ciudad Juárez	900
Foster Grant Co.		Leominster, MA	Low end sunglasses	340	1988	Foster Grant de México	Nogales	350
Gates Corp.	Gates Energy	Gainesville, FL	Rechargeable batteries	200	1980s	Sistemas de Baterías	Ciudad Juárez	1600
General Dynamics Corp.		Fort Worth, TX	Alplane wire harnesses	300	1950-91		Chihuahua	n/a
General Electric		Pittsfield, MA	Wiring for Aegis Director (defense project)	60	1992	Electro Componentes de México	Ciudad Juárez & Chihuahua	2400
General Electric		Memphis, TN	Auto lights	50	1990	Aparatos Eléctricos de Acuña	Ciudad Acuña	690
General Electric		Pittsfield, MA	Transformers	Over 100	Nov. 1988	Productos de Control	Ciudad Juárez	402
General Electric		Oakland, CA	Wire/cable harness winding, switch & assembly	300	1983	Productos de Control	Nogales	522
General Electric		Union, IN		55-60				n/a

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during the stated period of time. A "x" separates dates of one time job losses. ³ "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States

to México

PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT/SERVICE	JOBS ¹ LOST	DATE ²	COMPANY	LOCATION	TOTAL ³ EMPLOY
General Electric		Tell City, IN	Small electric motors & parts	160	1985	Sociedad de Motores	Reynosa	999
General Electric	GE Motor Div.	Holland, MI	Electric motors	ca. 200	1987-88			1402
General Electric	Turnbull Light	Warren, OH	Sealed beam lighting	494	1989			816
General Electric		Warren, OH	Handmounts for inside of bulbs	20 to 50	1989-91	Aparatos Eléctricos de Acuña	Ciudad Juárez	590
General Electric		Tiffin, OH	Motor-thermoic	200	1985	Compañía	Ciudad Juárez	1402
General Electric		Syracuse, NY	Cable wire & harnesses	150	1980-82	Eléctric Componentes de México	Ciudad Juárez	2440
General Electric		Pittsfield, MA	Modules/circuit boards	220	ca. 1988	Elumax	Ciudad Juárez	n/a
General Electric	GE Motor Business Group	Murfreesboro, TN	Electric motors	120	1993	Compañía (see above)	See above	See above
General Electric	GE Motor Division	Decatur, IN	Electric motors	ca. 200	1987-88			1
General Instruments Corp.	Jenold Communications	Kansas City, MO	Repair of cable TV converters	200	1989-1990	Ensambladora de Matamoros	Matamoros	2000
General Motors		Mojave, OH	Diesel engines for pickups, van	649	By 1985		Toluca	n/a
General Motors	Delco Chassis (was Delco Products)	Rochester, NY	Magnets	125s	1983	Delcodo	Nuevo Laredo	870
General Motors	Delco Electronics	Oak Creek, WI	Automotive related	n/a	Early 1980s	Delmosa Deltronics Dalmas, etc.	Reynosa, Matamoros, Ciudad Juárez	12000
General Motors	Delco Electronics	Kokomo, IN	Automotive related	800	1993	Delmosa	Reynosa (4 plants) & Matamoros (6 plants)	9500

¹ - JOBS LOST reflects only those jobs at each work site that were sent to Mexico; "ca." indicates an estimation and "n/a" means the figure is not available. ² - A range of dates indicates that job losses were ongoing during the stated period of time. A "X" separates dates of one time job losses. ³ - TOTAL EMPLOY gives the total number of employees at the location(s) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States					to México			
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT / SERVICE	JOBS ¹ LOST	DATE ²	COMPANY	LOCATION	TOTAL ³ COPY Y
General Motors	Fisher Guide Div.	Elyria, OH	Auto seats & stamped metal parts	2000	1987	Rimur (Inland Fisher Guide)	Matamoros (2 plants)	2600
General Motors	Packard Electric Div.	Warren, OH	n/a	4800	1974-1991		14 plants: Ciudad Juarez, Chihuahua, Delicias, Matamoros	14000
Genesco		Pulaski, TN	Footwear manufacturing	150		Genesco de México	Reynosa	249
Genisco Technology Corp. (CA)	Genisco Electronics Corp.	La Milada, CA	Surge protectors	50	1990		Tijuana	50
Gerber	Gerber Childrenswear	Tempe, AZ	Children's wear	375	March 1992	Costura Max, Fyco del Noroeste	Hermosillo	n/a
Goldstar Inc.	Goldstar America Inc.	Huntsville, AL	TV assembly	200	1988 & 1992	Electra Estrella de Oro	México	300
Good Bedrooms	Pillsbury/Green Giant	Compton, CA	Furniture	n/a	Late 1980s	Muebles Fino Bueno	Tijuana	600
Grand Metropolitan	Haggar Mens Wear/Greenville Manufacturing Co.	Watsonville, CA	Agricultural products	1000	Jan. 1991	Gigante Verde	Tapusto	1200
Haggar Apparel Co.		Greenville, TX	Men's suits & slacks	105	1990	Haggarmae & 6 other plants	Leon, Toluca, Guadalupe, etc.	2000
Haggar Apparel Co.		Lewiston, OK		290	1990			
Haggar Apparel Co.		Tempe, OK		200	1990			
Haggar Apparel Co.		Bowls, TX	Men's slacks	259	1992	Joint Venture w/ Industrias DAK	Monterrey	n/a
Haggar Apparel Co.		Other, TX	Men's slacks	99	1992			
Henson Inc.	Progress Lighting Co.	Philadelphia, PA	Residential lighting	ca 150	1990		Tijuana	250

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available.
² A range of dates indicates that job losses were ongoing during the stated period of time. A "3" separates dates of one true job losses.
³ "TOTAL EMPTY" gives the total number of employees at the facility(ies) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States				to México				
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT /SERVICE	JOBS ¹ LOST	DATE ²	COMPANY	LOCATION	TOTAL ³ EMPLOY
Kyocera Corp	AVX Ceramic Corp	Conway, SC	Ceramic capacitors	100s	1984-1990	Avio Exito & Avio Excelente	Ciudad Juárez & Chihuahua	1325
Kyocera Corp	AVX Ceramic Corp	Oslen, NY	Ceramic capacitors	200	1985-1991			n/a
Lantern Leather & Rubber Co.		Chicago, IL	Rubber products	240		Lamin de México		n/a
Lancer Othodontics		Carlsbad, CA	Othodontics	90	1991		México	80
Laid Strauss & Co.		TX, AR, SC	Apparel	ca. 9000	1981-1990		Aguascalientes, GómezPal (U), Querétaro	n/a
Laid Strauss & Co.		Elizabethton, TN		140	1989	Various	Veracruz	n/a
Leviton Mfg Co		Warwick, RI	Wiring devices	800	1988-1991	Four companies	Tijuana (2), Ciudad Camargo, Ciudad Juárez	2960
Louisiana-Pacific Corp		Covelo, Potter/Vy, & Cloverdale, CA	Reduced planing & fenceboards	100	1988-1991		El Sural (Ensenada)	100
MagneTek Inc.	Louis Allis Co.	Milwaukee, WI	Winding jobs for large electric motors		1987-			n/a
MagneTek Inc.	Universal Manufacturing	Jonestown, AR	Light ballasts	600	1988-89	Col de Mex. & IG-MEX	Matamoros & Ciudad Juárez	1500
MagneTek Inc.	Universal Manufacturing	Mendenhall, MS	Light ballasts	800	1989-1992			n/a
MagneTek Inc.	Universal Manufacturing	Peterson, NJ	Light ballasts	500	June 1989			n/a
Mallinckrodt Medical Inc		New Athens, IL	Temperature-monitoring systems	75	1993			n/a
Mallinckrodt Medical Inc		New Haven, MO	Temperature-monitoring systems	60	1993			n/a

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to Mexico; "ca." indicates an estimation and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during the stated period of time. A "1" separates dates of one time job losses. ³ "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in México; "n/a" denotes that the information is unavailable.

THE ALWAYS

from the United States				to México				
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT/SERVICE	JOBS ¹ LOST	DATE ²	COMPANY	LOCATION	TOTAL ³ EMPLOY
Maytag Corp.	Hoover Co.	North Canton, OH	Laundry equipment	200	1985-1991	Hoover Mexicana	Guadalupe	552
Maytag Corp.	Hoover Co.	North Canton, OH	Floor care machines	100	1985	Javier Industrial	Ciudad Juárez	510
Modern Filtrix		Joliet, IL	Fabric dust bags & filters	175	1985	Filixes Modernos de México	Ciudad Juárez	333
Modern Filtrix		Ilwaco, OR	Fabric dust bags & filters	70	1982	"	"	"
Mundy Automotive Co.	Everco Div.	Stukley, IL	Automotive parts	25	May 1989	Everco #1 & #2	Ciudad Juárez	499
HACCO Industries Inc.	Proctor Silex	South Plains & Clinton, NC	Small appliances	652	July 1991	Proctor-Silex de México	Ciudad Juárez	1398
National Industries Inc.		Union Springs, AL	Wear harnesses for autos	371	1991		Empalme, 2 others	3200
National Industries Inc.		Montgomery & Wetumpka, AL	Wear harnesses for autos	475	1991		Empalme, 2 others	3200
Helicor Inc.		Hayward, CA	Medical equipment	370	April 1989-Dec. 1990	Helicor de México	Tijuana	800
Outboard Marine Corp		Galesburg, IL	Outboard motors	up to 350	March 1983	Outboard Marine de México	Ciudad Juárez	350
Parker-Hannifan Co.	Ideal Clamp Div.	Brooklyn, NY	Automotive related	300	1980-86	Auto Industrial de Parías	Mérida	244
Philips Industries II V	Advance Transformer Co.	Chicago, IL	Ballasts/transformers	220-300	1989-1990	Advance Transformer Co. de México	Ciudad Juárez	500
Philips Industries II V	North American Philips	Jefferson City, TN	Electronic components for TVs	600	1982			
Philips Industries II V	North American Philips	Fairmont, VA	90W fluorescent lights	7	1992	Advance Transformers Co de Mex (see above)	See above	See above
Philips Industries II V	Philips Consumer Electronics	Greenville, TN	Small TVs (up to 20")	1500	Late 1980's, 1992	Philips Esportadora	Ciudad Juárez	1672

² JOBS LOST reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available. ³ A range of dates indicates that job losses were ongoing during the stated period of time. ⁴ "TOTAL EMPLOY" over the total number of employees at the local(s) listed in Mexico; "n/a" denotes that the information is unavailable.

PAGE 13

COPYRIGHT © 1993

UNTER HEMISPHERIC EDUCATION RESOURCE CENTER

THE RUNAWAYS

from the United States

to México

PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT/SERVICE	JOBS ¹ LOST	DATE ²	COUNTRY	LOCATION	TOTAL ³ EMPLOY
Philips Industries H.V.	Philips Lighting	Fairmont, WV	Halogen headlight	60	1980	Componentes Electricos de Max	Ciudad Juárez	268
Philips Industries H.V.	Philips Lighting	Warren, PA		200	1992			
Plastionics Inc.		Waukegan, WI	Disposable medical devices	265	1986		Tijuana	n/a
Quaker Oats Co.	Fisher-Pike	IL (3 plants)	Toys	984	1980-1990	Fisher-Pike de B.C.	Matamoros, Tijuana (2), Acuña	3179
Quaker Oats Co.	Fisher-Pike	East Aurora, NY	Toys	450	1990			
H.G. Barry Corp.		Chattanooga, TN	Ladies' slippers	150	1985	R.O. Barry de Mexico	Acuña, Nuevo Laredo, Ciudad Juárez	2070
Rheem Manufacturing		Chicago, IL	Water heaters	518	Feb. 90	Industrias Rheem	Nuevo Laredo	815
Rockwell International Corp.	Allen Bradley Manufacturing	Milwaukee, WI	Electronics components	140	1986	Tecate Electromecánica Allen Bradley Electrónica	Tecate, Ciudad Juárez	335
Rockwell International Corp.		Santa Ana, CA	Semiconductors	40	1985	Azonella	Miskall	860
Salt America Inc.		St. Paul, MN	Portable batteries	Up to 300	1984-88	Componentes Tánicos de B.C.	Tijuana	350
Salt America Inc.	Texas Apparel, Inc.	Valdosta, GA	Batteries	85	1989-1992			
Salut Corp.		Eagle Pass, TX	Jeans	217	July 1986	4 mequidoras	Acuña, Piedras Negras (2), Tlahuacan	n/a
Salut Corp.	Texas Apparel Inc.	Conito Springs, TX	Jeans	78	1990			
Salut Corp.		Del Rio, TX	Jeans	425	1986			
Samsung		Saddle Brook, NJ	TV assembly	n/a	1993		Undecided by company	n/a
Sandberg Furniture Mfg.		Yermon, CA	Furniture	n/a	1980-1985		Tijuana	n/a
Sanyo Manufacturing Corp.		Forest City, AR	13" & 20" TVs, & microwave	1400	1986-87		Matamoros	n/a

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during the stated period of time. A "3" separates dates of one time job losses. ³ "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in Mexico; "n/a" denotes that the information is unavailable.

from the United States

A range of dates indicates that job losses were ongoing during the study

COPYRIGHT © 1993

INTER HEMISPHERIC EDUCATION RESOURCE CENTER

* JOBS LOST* reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during this stated period of time. ³ TOTAL EMPLOYMENT shows the total number of employees at the facility(s) listed in Mexico; "n/a" denotes that the information is unavailable.

THE RUNAWAYS

from the United States				to Mexico		
PARENT COMPANY	SUBSIDIARY	LOCATION	PRODUCT/SERVICE	JOBS ¹ LOST	DATE ²	TOTAL ³ EMPLOY
Westwood Lighting		Westwood, NJ	Desk & floor lamps	570	1987	\$60
William Prym Inc.		Dayville, CT	Sewing notions	106	1990	n/a
Zenith Electronics		Springfield, MO	TVs	36001	1979-1992	17000
Zenith Electronics		Paris, IL	TV parts	600	April 1983	*
Zenith Electronics		Evansville, IN (2 plants)	TVs	1400	1986	*
Zenith Electronics		Chicago, IL	Cable TV decoders	1101	Oct. 1984	1800
						Chihuahua

¹ "JOBS LOST" reflects only those jobs at each work site that were sent to Mexico; "ca" indicates an estimation and "n/a" means the figure is not available. ² A range of dates indicates that job losses were ongoing during the stated period of time. A "1" separates dates of one time job losses. ³ "TOTAL EMPLOY" gives the total number of employees at the location(s) listed in Mexico; "n/a" denotes that the information is unavailable.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA



Analyses of the 48 Continental States

THE MANUFACTURING POLICY PROJECT
Washington, D.C.

APRIL, 1993

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

Analyses of the 48 Continental States

THE MANUFACTURING POLICY PROJECT

Washington, D.C.

APRIL, 1993

TABLE OF CONTENTS

	Page
Introduction.....	1
Jobs At Risk: State Totals.....	4
Purchasing Power At Risk: State Totals.....	5
Jobs At Risk: The United States [Industries and Jobs].....	6
Jobs At Risk: The 48 Continental States [Industries and Jobs].....	8 - 62
Jobs At Risk: State Totals (Rank Ordered)	63
Purchasing Power At Risk: State Totals (Rank Ordered)	64

THE MANUFACTURING POLICY PROJECT
Washington, D.C.
April, 1993

INTRODUCTION

One of the principal objectives of the proposed North American Free Trade Agreement (NAFTA) is to stimulate more direct foreign investment in Mexico by providing enhanced investor protections. Even without these additional protections, more than 1,350 U.S.-owned companies have already established more than 2,200 factories in Mexico. Once NAFTA is approved, the pace of capital flows and jobs to Mexico will accelerate. The question, therefore, is which U.S. industries and jobs are vulnerable under NAFTA.

A Rosetta Stone for determining an answer is found in the investment criteria of the AmeriMex Maquiladora Fund. This small fund was established by U.S. and Mexican investors to acquire controlling interests in U.S. manufacturing companies where labor is a significant component of the company's cost of goods sold and then to move all or a portion of the firm's manufacturing operations to Mexico. The Fund prospectus announces that:

It is anticipated that within six to eighteen months after a company has been acquired by the Fund, the designated portion of the company's manufacturing operations will be relocated to Mexico to take advantage of reduced labor costs. We estimate that manufacturing companies that experience fully loaded, gross labor cost of \$US7-\$US10 per hour range in the U.S. may be able to utilize labor in a Mexico maquiladora at fully loaded, gross labor cost of \$US10,000-\$US17,000 per employee involved in the relocated manufacturing operations.

The AmeriMex prospectus also specifies that key characteristics to be used in selecting which U.S. companies to buy and relocate are moderate to good growth, low to mid-technology operations, and a labor component of 20 percent to 30 percent of goods sold.

The Fund's evident economic logic and investor appeal provides real world criteria for identifying U.S. industries and jobs that are vulnerable to either relocation to Mexico or low-wage competition from Mexico-based facilities.

The following analyses applies AmeriMex investment criteria to manufacturing establishments in the United States as a whole and to the 48 individual continental states.

The principal findings are:

It is anticipated that within six to eighteen months after a company has been acquired by the Fund, the designated portion of the company's manufacturing operations will be relocated to Mexico to take advantage of reduced labor costs. We estimate that manufacturing companies that experience fully loaded, gross labor cost of \$US7-\$US10 per hour range in the U.S. may be able to utilize labor in a Mexico maquiladora at fully loaded, gross labor cost of \$US10,000-\$US17,000 per employee involved in the relocated manufacturing operations.

The AmeriMex prospectus also specified the key characteristics that the Fund would use in selecting which U.S. companies to buy and relocate. They included moderate to good growth, low to mid-technology operations, and a labor component of 20 percent to 30 percent of goods sold.

The Fund's evident economic logic and investor appeal provides criteria for identifying those existing U.S. industries and jobs that are vulnerable both to relocation or from low-wage competition from Mexican-based facilities

The following analyses applies the AmeriMex criteria to manufacturing establishments in the United States and to each of the 48 continental states.

The principal findings are:

- More than 5.9 million U.S. manufacturing production jobs are vulnerable under NAFTA;
- The 10 states with the most production jobs at risk under NAFTA are:
 1. California (747,600)
 2. Pennsylvania (349,500)
 3. Ohio (323,900)
 4. Illinois (305,900)
 5. New York (265,900)
 6. Michigan (239,500)
 7. Texas (226,200)
 8. North Carolina (180,000)
 9. Wisconsin (178,000)
 10. Indiana (177,700)
- More than \$138 billion of annual purchasing power from U.S. production workers is at risk under NAFTA;
- Seventy-five U.S. industries at the three-digit Standard Industrial Classification (SIC) level are vulnerable under NAFTA.

The tables in this report were constructed entirely and directly from electronic media sources of the "Annual Survey of Manufactures: 1991," produced by the U.S. Bureau of the Census, and released in March, 1993.

The Annual Survey of Manufactures (ASM) covers all establishments with paid employment primarily engaged in manufacturing as defined in the STANDARD INDUSTRIAL CLASSIFICATION MANUAL. Data from the 1991 ASM are based on the current 1987 SIC definitions.

The ASM and the Census of Manufactures are conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each location.

The Bureau of the Census conducts the annual survey of manufactures (ASM) in each of the four years between the Census of Manufactures. The ASM is a probability-based sample of approximately 56,000 establishments and collects the same industry statistics as the Census of Manufactures. In addition to collecting the information normally requested on the census form, the establishments in the ASM sample are requested to supply information on assets, capital expenditures, retirements, depreciation, rental payments, supplemental labor costs, cost of purchased services, and foreign content of materials consumed. Except for supplemental labor costs, the extra ASM items are collected only in census years.

The tables in this report utilize the following data by state for every three digit SIC industry included in the 1991 ASM:

- Total Annual Payroll (does not include supplemental labor costs including non-wage benefits);
- Total Annual Value of Materials;
- Total Annual Value of Shipments;
- Total Annual Hours of Production Workers;
- Total Annual Wages of Production Workers;
- Total Employment in the Week of March 12, 1991;
- Total Production Employment in the Week of March 12, 1991.

Calculations were made as follows:

- Labor Percent of Shipments: Annual Payroll divided by Annual Value of Shipments.
- Labor Percent of Materials: Annual Payroll divided by Annual Value of Materials;
- Hourly Production Wage: Wages of Production Workers divided by Hours of Production Workers;
- Total Employment = Total Employment Week of March 12, 1991;
- Production Employment = Total Production Employment Week of March 12, 1991.

Tables list only those industries in which total payroll was identified as accounting for 20.00 percent or more of the total value of shipments. Census restrictions prevent the identification of many industries in smaller states where disclosure could be traced to a specific firm.

The summary tables also include the percent of total employed and of total production workers identified as meeting the AmeriMex labor content criteria. This is the total that can be identified meeting the criteria in each state divided by that state's total manufacturing employment or total number of manufacturing production workers. The summary tables for manufacturing payrolls reflect total payroll for all manufacturing employment and for that portion engaged in production work multiplied by the percentage employment (or production work) identified as meeting the AmeriMex criteria.

Pat Choate
Director
Manufacturing Policy Project
Washington, D.C.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

STATE TOTALS

State	ALL MANUFACTURING		*IDENTIFIED MEETING AMERIMEX CRITERIA			
	Employed	Production	Employed	Production	Employed %	Production %
UNITED STATES.....	18,061,900	11,513,400	8,752,200	5,988,200	48.46%	52.01%
Alabama.....	363,300	278,400	149,200	120,000	41.07%	43.10%
Arizona.....	173,500	92,400	63,300	35,800	36.48%	38.74%
Arkansas.....	220,200	172,300	19,700	15,900	8.95%	9.23%
California.....	1,961,800	1,138,400	1,221,700	747,600	62.27%	65.67%
Colorado.....	176,200	98,600	62,800	35,500	35.64%	36.00%
Connecticut.....	338,600	175,800	175,700	101,200	51.89%	57.57%
Delaware.....	62,400	27,900	4,200	3,000	6.73%	10.75%
Florida.....	473,100	285,500	268,300	184,500	56.71%	57.62%
Georgia.....	545,100	381,800	90,400	69,000	16.58%	18.07%
Ideho.....	60,500	44,500	11,900	8,700	19.87%	19.55%
Illinois.....	976,100	588,900	465,400	305,900	47.88%	51.94%
Indiana.....	594,100	415,200	237,600	177,700	39.99%	42.80%
Iowa.....	224,000	154,000	57,400	39,800	25.63%	25.84%
Kansas.....	187,000	125,100	92,500	61,900	49.47%	49.48%
Kentucky.....	272,900	204,800	109,400	85,400	40.09%	41.70%
Louisiana.....	174,800	122,900	49,400	38,100	28.26%	31.00%
Maine.....	97,800	71,500	55,800	42,000	57.06%	58.74%
Maryland.....	200,800	111,900	77,900	42,000	38.83%	37.53%
Massachusetts.....	489,700	274,800	233,300	144,800	47.64%	52.69%
Michigan.....	658,200	545,800	330,400	239,500	38.50%	43.88%
Minnesota.....	384,500	218,200	167,900	103,300	43.87%	47.34%
Mississippi.....	237,200	186,900	108,200	88,000	45.62%	48.59%
Missouri.....	401,400	255,600	123,500	88,600	30.77%	34.68%
Montana.....	19,600	14,300	8,500	6,800	42.93%	47.55%
Nebraska.....	100,500	74,600	34,200	25,600	34.03%	34.32%
Nevada.....	25,600	16,900	8,400	5,200	32.81%	30.77%
New Hampshire.....	85,600	53,600	61,700	42,100	71.91%	78.54%
New Jersey.....	590,900	312,600	259,200	173,800	43.87%	55.58%
New Mexico.....	40,700	27,300	12,800	9,300	31.45%	34.07%
New York.....	1,054,000	594,500	408,900	265,900	38.80%	44.73%
North Carolina.....	801,900	590,000	224,900	160,000	28.05%	30.51%
North Dakota.....	17,200	11,500	N/A	N/A	N/A	N/A
Ohio.....	1,045,400	678,600	456,500	323,900	43.86%	47.72%
Oklahoma.....	168,600	110,000	70,500	51,200	41.81%	46.55%
Oregon.....	208,400	145,000	75,900	47,800	36.42%	32.97%
Pennsylvania.....	962,000	616,700	465,800	349,500	50.50%	56.67%
Rhode Island.....	94,600	82,600	46,200	32,500	48.84%	51.92%
South Carolina.....	352,600	265,300	90,800	70,700	25.75%	26.65%
South Dakota.....	30,300	22,400	8,500	6,000	28.05%	26.79%
Tennessee.....	493,000	356,200	218,400	172,100	44.30%	48.05%
Texas.....	922,700	562,300	371,500	226,200	40.26%	40.23%
Utah.....	101,800	63,600	36,300	22,800	35.66%	35.65%
Vermont.....	42,800	28,200	28,100	18,400	65.65%	65.25%
Virginia.....	408,400	287,600	132,100	94,900	32.35%	33.00%
Washington.....	353,800	197,900	84,200	49,400	23.80%	24.98%
West Virginia.....	78,100	55,300	15,400	12,000	19.72%	21.70%
Wisconsin.....	533,000	357,400	247,800	178,000	46.49%	49.80%
Wyoming.....	9,800	6,400	2,600	1,700	26.53%	26.56%

U.S. Department of Commerce, Bureau of the Census. "Annual Survey of Manufactures: 1991"

* Disclosure restrictions limit identifications in many states.

PURCHASING POWER AT RISK

Vulnerable U.S. Payrolls Under NAFTA
STATE TOTALS

State	ANNUAL MANUFACTURING PAYROLL			
	1991 Total	1991 Production	NAFTA Vulnerable* Total	NAFTA Vulnerable* Production
	(Millions)		(Millions)	
UNITED STATES.....	\$529,019	\$266,412	\$256,345	\$138,563
Alabama.....	8,287	5,473	3,403	2,359
Arizona.....	5,171	2,093	1,887	811
Arkansas.....	4,471	3,058	400	282
California.....	62,521	26,640	38,935	17,495
Colorado.....	5,647	2,547	2,013	917
Connecticut.....	11,777	4,654	6,111	2,679
Delaware.....	2,434	770	164	83
Florida.....	12,201	5,403	6,919	3,113
Georgia.....	13,118	7,420	2,175	1,341
Idaho.....	1,607	964	316	189
Illinois.....	30,659	14,601	14,618	7,585
Indiana.....	17,755	10,709	7,101	4,583
Iowa.....	5,967	3,589	1,529	927
Kansas.....	5,130	2,923	2,538	1,446
Kentucky.....	7,001	4,383	2,806	1,828
Louisiana.....	5,005	3,135	1,414	972
Maine.....	2,451	1,595	1,398	937
Maryland.....	6,271	2,875	2,435	1,079
Massachusetts.....	15,643	6,755	7,548	3,559
Michigan.....	30,757	16,997	11,841	7,458
Minnesota.....	11,744	5,071	5,128	2,401
Mississippi.....	4,775	3,218	2,178	1,499
Missouri.....	11,238	5,705	3,458	1,977
Montana.....	479	336	206	160
Nebraska.....	2,337	1,498	795	514
Nevada.....	637	343	209	105
New Hampshire.....	2,542	1,267	1,828	995
New Jersey.....	20,371	7,644	8,936	4,247
New Mexico.....	927	533	292	182
New York.....	33,831	13,850	13,125	6,195
North Carolina.....	18,813	10,872	5,276	3,317
North Dakota.....	385	211	N/A	N/A
Ohio.....	33,091	18,393	14,513	8,776
Oklahoma.....	4,637	2,503	1,939	1,165
Oregon.....	5,644	3,318	2,056	1,094
Pennsylvania.....	27,703	14,328	13,990	8,120
Rhode Island.....	2,305	1,181	1,126	613
South Carolina.....	8,348	5,235	2,150	1,395
South Dakota.....	597	389	167	104
Tennessee.....	11,711	7,084	5,188	3,404
Texas.....	27,726	13,205	11,163	5,312
Utah.....	2,592	1,289	924	462
Vermont.....	1,231	613	808	400
Virginia.....	10,680	6,079	3,455	2,006
Washington.....	11,801	5,053	2,808	1,261
West Virginia.....	2,221	1,369	438	297
Wisconsin.....	14,921	8,445	6,937	4,206
Wyoming.....	251	151	67	40

U.S. Department of Commerce, Bureau of the Census.

Annual Survey of Manufactures

* Based on percentages identified meeting AmeriMex criteria.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA THE UNITED STATES

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipcasts*	Materials*	Production Wage*	Total	Production
U.S. MANUFACTURING TOTAL		18.72%	35.18%	\$11.49	18,061,900	11,513,400
U.S. Total Meeting Criteria					8,752,200	5,888,200
279	Printing trade services	41.17%	190.60%	\$13.34	61,600	44,500
359	Industrial machinery, n.e.c.	34.37%	93.28%	\$11.42	292,100	217,300
348	Ordnance and accessories, n.e.c.	33.04%	106.18%	\$14.16	68,600	39,100
354	Metalworking machinery	32.18%	84.02%	\$13.16	265,700	186,000
381	Search and navigation equipment	32.12%	102.01%	\$14.08	279,800	112,300
326	Pottery and related products	32.05%	103.29%	\$9.93	36,700	29,300
332	Iron and steel foundries	32.04%	72.34%	\$13.07	125,400	99,900
373	Ship and boat building and repairing	31.01%	68.73%	\$12.01	161,500	121,800
278	Blankbooks and bookbinding	30.51%	105.69%	\$8.95	70,400	53,900
231	Men's and boys' suits and coats	30.12%	69.41%	\$8.14	43,600	36,500
345	Screw machine products, bolts, etc.	28.72%	69.37%	\$11.07	90,600	68,500
235	Hats, caps, and millinery	28.51%	65.76%	\$6.05	15,900	13,600
347	Metal services, n.e.c.	28.13%	62.22%	\$9.53	110,000	86,300
382	Measuring and controlling devices	28.11%	76.39%	\$12.11	267,900	133,000
336	Nonferrous foundries (castings)	27.99%	58.45%	\$10.90	74,900	59,800
328	Cut stone and stone products	27.93%	71.90%	\$10.28	12,200	9,500
254	Partitions and fixtures	27.35%	60.56%	\$9.98	66,900	48,800
275	Commercial printing	27.21%	61.23%	\$10.75	556,000	400,700
385	Ophthalmic goods	27.10%	94.07%	\$9.64	26,200	17,200
393	Musical instruments	27.02%	68.18%	\$8.90	11,500	8,700
376	Guided missiles, space vehicles, parts	26.76%	75.96%	\$18.98	177,700	62,200
339	Miscellaneous primary metal products	26.43%	61.32%	\$11.02	32,300	22,600
355	Special industry machinery	25.99%	55.00%	\$13.12	163,700	91,900
346	Metal forgings and stampings	25.96%	47.93%	\$14.13	231,500	182,200
305	Hose and belting and gaskets and packing	25.42%	55.63%	\$10.51	53,400	39,400
325	Structural clay products	25.33%	60.57%	\$9.74	31,700	24,900
380	Instruments and related products	25.01%	73.53%	\$12.34	901,300	451,700
270	Printing and publishing	24.73%	73.19%	\$11.18	1,488,000	787,200
319	Leather goods, n.e.c.	24.48%	50.22%	\$6.53	9,200	7,300
399	Miscellaneous manufactures	24.46%	54.68%	\$8.69	156,900	111,000
356	General industrial machinery	24.43%	54.44%	\$12.54	255,400	161,100
238	Miscellaneous apparel and accessories	24.32%	50.99%	\$6.25	36,600	30,200
252	Office furniture	24.25%	57.12%	\$10.92	66,100	47,800
302	Rubber and plastics footwear	24.03%	48.73%	\$6.27	11,700	9,700
396	Costume jewelry and notions	23.91%	57.98%	\$7.44	26,300	19,300
342	Cutlery, handtools, and hardware	23.82%	55.28%	\$11.10	131,600	98,800
367	Electronic components and accessories	23.73%	59.80%	\$10.34	519,400	313,700
250	Furniture and fixtures	23.71%	49.04%	\$8.70	465,700	368,600
315	Leather gloves and mittens	23.60%	39.45%	\$6.22	2,500	2,100
349	Miscellaneous fabricated metal products	23.53%	49.91%	\$10.80	263,900	187,600
251	Household furniture	23.47%	46.50%	\$7.96	258,500	216,900
362	Electrical industrial apparatus	23.47%	52.33%	\$10.81	153,100	101,900
340	Fabricated metal products	23.45%	45.96%	\$11.60	1,358,500	995,200
224	Narrow fabric mills	23.31%	52.07%	\$7.53	16,100	13,900
259	Miscellaneous furniture and fixtures	23.15%	52.89%	\$8.14	48,300	35,300

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
THE UNITED STATES

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
317	Handbags and personal leather goods	23.12%	52.40%	\$6.61	12,200	9,700
321	Flat glass	23.10%	58.72%	\$16.77	13,200	10,700
322	Glass and glassware, pressed or blown	23.02%	56.74%	\$13.97	67,400	56,900
344	Fabricated structural metal products	22.66%	41.71%	\$10.68	379,000	269,300
350	Industrial machinery and equipment	22.58%	46.25%	\$12.65	1,773,700	1,101,000
306	Fabricated rubber products, n.e.c.	22.40%	45.86%	\$10.03	98,300	75,100
244	Wood containers	22.13%	37.94%	\$7.16	39,800	33,300
366	Communications equipment	22.12%	51.17%	\$13.08	237,500	109,400
236	Girls' and children's outerwear	22.10%	48.11%	\$5.73	58,800	49,600
234	Women's and children's undergarments	22.00%	51.12%	\$6.24	57,600	48,500
221	Broadwoven fabric mills, cotton	21.89%	39.05%	\$8.35	65,900	58,800
233	Women's and misses' outerwear	21.84%	44.58%	\$6.23	307,300	261,800
313	Footwear cut stock	21.80%	41.74%	\$7.56	5,200	4,600
230	Apparel and other textile products	21.63%	44.24%	\$6.73	959,600	815,100
384	Medical instruments and supplies	21.48%	60.65%	\$10.73	240,900	143,400
372	Aircraft and parts	21.38%	40.95%	\$16.28	567,900	300,000
320	Stone, clay, and glass products	21.16%	45.65%	\$11.59	475,700	362,600
232	Men's and boys' furnishings	21.08%	46.56%	\$6.48	252,100	222,000
360	Electronic and other electric equipment	21.03%	46.36%	\$11.04	1,427,400	896,200
353	Construction and related machinery	20.99%	38.79%	\$13.54	190,400	117,500
243	Millwork, plywood, and structural members	20.92%	35.79%	\$9.53	209,900	170,700
390	Miscellaneous manufacturing industries	20.87%	44.93%	\$8.56	363,100	260,400
369	Miscellaneous electrical equipment & supplies	20.43%	40.96%	\$11.89	154,400	101,200
314	Footwear, except rubber	20.39%	42.52%	\$6.83	53,100	46,000
327	Concrete, gypsum, and plaster products	20.35%	38.73%	\$10.73	179,500	129,100
364	Electric lighting and wiring equipment	20.28%	46.64%	\$10.71	143,900	104,700
323	Products of purchased glass	20.20%	43.94%	\$9.92	52,000	40,600
361	Electric distribution equipment	20.19%	43.95%	\$11.34	70,000	49,400
300	Rubber and miscellaneous plastics products	20.16%	40.53%	\$10.23	839,700	647,100
316	Luggage	20.07%	42.50%	\$8.80	12,500	9,400

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
ALABAMA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipcases*	Materials*	Production Wage*	Total	Production
ALABAMA MANUFACTURING TOTAL		17.11%	30.32%	\$9.81	363,300	278,400
Total Identified Meeting Criteria					149,200	120,000
354	Metalworking machinery	41.80%	78.17%	\$12.73	2,000	1,400
336	Nonferrous foundries (castings)	34.09%	58.04%	\$7.58	1,300	1,000
347	Metal services, n.e.c.	33.75%	80.83%	\$7.40	1,200	1,000
236	Girls' and children's outerwear	33.74%	108.68%	\$6.12	3,800	3,400
233	Women's and misses' outerwear	32.13%	94.57%	\$5.48	9,500	9,600
372	Aircraft and parts	31.89%	157.50%	\$13.89	4,100	2,700
382	Measuring and controlling devices	29.31%	75.00%	\$10.94	1,700	900
234	Women's and children's undergarments	28.25%	75.44%	\$7.06	6,600	5,600
359	Industrial machinery, n.e.c.	27.97%	74.71%	\$7.91	4,300	2,900
278	Blankbooks and bookbinding	27.84%	69.55%	\$4.23	1,600	1,400
275	Commercial printing	27.16%	46.48%	\$10.56	4,900	3,400
232	Men's and boys' furnishings	26.47%	58.71%	\$6.13	26,100	23,800
306	Fabricated rubber products, n.e.c.	26.24%	55.22%	\$8.29	1,900	1,600
373	Ship and boat building and repairing	24.95%	42.37%	\$10.92	1,600	1,300
356	General industrial machinery	24.78%	49.72%	\$11.40	1,900	1,200
332	Iron and steel foundries	24.51%	44.06%	\$10.80	7,800	6,200
366	Communications equipment	24.40%	63.34%	\$9.91	2,000	1,100
244	Wood containers	24.19%	41.49%	\$6.06	1,100	900
370	Transportation equipment	24.08%	51.72%	\$14.98	16,100	14,100
230	Apparel and other textile products	24.05%	52.16%	\$6.29	54,300	49,400
349	Miscellaneous fabricated metal products	23.79%	54.00%	\$10.17	6,900	5,400
325	Structural clay products	23.61%	57.59%	\$9.04	1,500	1,200
338	Miscellaneous apparel and accessories	23.44%	72.32%	\$5.83	1,600	1,200
353	Construction and related machinery	23.42%	39.05%	\$10.86	2,600	1,700
251	Household furniture	23.41%	45.38%	\$6.75	7,500	6,100
301	Tires and inner tubes	23.32%	60.15%	\$17.03	9,300	7,900
270	Printing and publishing	22.95%	57.49%	\$9.24	12,900	7,600
250	Industrial machinery and equipment	22.56%	43.58%	\$9.83	24,400	13,900
300	Rubber and miscellaneous plastics products	22.18%	50.52%	\$12.97	18,400	15,000
334	Toys and sporting goods	22.15%	48.84%	\$7.50	4,300	3,300
222	Broadwoven fabric mills, manmade fiber & sil	22.13%	42.55%	\$9.21	6,200	5,400
205	Bakery products	21.87%	53.76%	\$10.88	3,500	1,900
390	Miscellaneous manufacturing industries	21.62%	43.48%	\$7.46	7,200	5,600
250	Furniture and fixtures	21.39%	46.98%	\$8.11	11,900	9,500
243	Millwork, plywood, and structural members	21.21%	31.56%	\$7.86	6,000	4,800
344	Fabricated structural metal products	21.15%	38.02%	\$8.99	11,800	8,100
339	Miscellaneous manufactures	20.99%	37.28%	\$7.41	2,800	2,200
346	Metal forgings and stampings	20.69%	40.26%	\$10.13	1,800	1,400
380	Instruments and related products	20.68%	45.26%	\$8.28	4,900	3,200
340	Fabricated metal products	20.65%	39.27%	\$9.46	26,000	19,300

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals. Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
ARIZONA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
ARIZONA MANUFACTURING TOTAL		22.50%	46.68%	\$11.22	173,500	92,400
Total Identified Meeting Criteria					63,300	35,800
359	Industrial machinery, n.e.c.	54.33%	147.41%	\$13.57	2,800	2,500
349	Miscellaneous fabricated metal products	48.02%	152.02%	\$10.50	1,200	800
347	Metal services, n.e.c.	39.93%	142.31%	\$11.05	1,500	1,100
230	Apparel and other textile products	34.15%	95.99%	\$6.47	3,800	3,400
239	Miscellaneous fabricated textile products	33.77%	97.33%	\$5.80	1,400	1,200
382	Measuring and controlling devices	29.23%	115.54%	\$8.44	3,500	1,000
360	Electronic and other electric equipment	28.44%	78.82%	\$11.04	31,500	14,900
355	Special industry machinery	28.30%	50.92%	\$13.23	1,200	600
250	Furniture and fixtures	27.31%	67.32%	\$7.39	3,000	2,200
232	Men's and boys' furnishings	27.29%	74.86%	\$6.00	1,200	1,100
367	Electronic components and accessories	26.35%	102.93%	\$10.64	23,400	12,200
275	Commercial printing	26.21%	52.46%	\$9.26	5,900	3,900
340	Fabricated metal products	25.97%	56.73%	\$10.08	9,200	6,500
354	Metalworking machinery	24.35%	44.84%	\$12.52	2,000	1,400
251	Household furniture	23.94%	53.54%	\$7.04	1,700	1,400
370	Transportation equipment	23.63%	53.34%	\$15.31	30,300	15,100
380	Instruments and related products	23.50%	66.52%	\$12.14	15,600	5,500
350	Industrial machinery and equipment	23.35%	50.89%	\$11.45	11,700	7,700
205	Bakery products	23.04%	66.61%	\$11.44	1,600	900
381	Search and navigation equipment	22.58%	58.88%	\$14.11	10,200	3,500
369	Miscellaneous electrical equipment & supplies	21.53%	36.44%	\$9.00	1,100	700
390	Miscellaneous manufacturing industries	21.09%	49.39%	\$7.82	4,100	3,100
243	Millwork, plywood, and structural members	21.02%	40.53%	\$11.60	1,200	1,100
344	Fabricated structural metal products	20.23%	34.98%	\$8.10	3,400	2,400

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA ARKANSAS

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
ARKANSAS MANUFACTURING TOTAL		14.38%	24.35%	\$8.97	220,200	172,300
Total Identified Meeting Criteria					19,700	15,900
232	Men's and boys' furnishings	35.59%	194.41%	\$6.05	6,300	5,800
230	Apparel and other textile products	34.06%	167.55%	\$5.68	9,300	8,700
254	Partitions and fixtures	33.16%	96.88%	\$8.65	2,200	1,700
342	Cutlery, handtools, and hardware	27.42%	63.99%	\$10.03	1,900	1,600
275	Commercial printing	25.20%	57.08%	\$9.65	3,600	2,500
353	Construction and related machinery	23.85%	54.98%	\$8.90	1,900	1,300
250	Furniture and fixtures	23.48%	49.17%	\$7.73	9,700	7,900
253	Public building and related furniture	22.18%	42.58%	\$8.70	2,100	1,500
310	Leather and leather products	21.75%	41.13%	\$6.08	3,700	3,400
336	Nonferrous foundries (castings)	20.30%	33.90%	\$9.03	1,700	1,500
320	Stone, clay, and glass products	20.00%	43.69%	\$8.63	3,600	2,800

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
CALIFORNIA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY Production Wage*	EMPLOYMENT	
		Shipments*	Materials*		Total	Production
CALIFORNIA MANUFACTURING TOTAL		21.59%	43.49%	\$11.38	1,961,800	1,138,400
Total Identified Meeting Criteria					1,221,700	747,600
279	Printing trade services	39.14%	196.88%	\$14.16	6,900	4,900
359	Industrial machinery, n.e.c.	37.40%	111.42%	\$12.80	38,900	27,300
326	Pottery and related products	35.89%	97.60%	\$7.07	4,900	3,900
354	Metalworking machinery	34.63%	94.10%	\$12.05	11,800	8,800
381	Search and navigation equipment	34.54%	113.08%	\$10.40	71,300	25,500
345	Screw machine products, bolts, etc	34.53%	100.66%	\$13.54	11,200	8,800
238	Miscellaneous apparel and accessories	33.84%	66.61%	\$6.51	4,500	3,600
382	Measuring and controlling devices	32.07%	92.71%	\$14.07	53,600	24,900
336	Nonferrous foundries (castings)	31.94%	71.10%	\$9.36	8,400	7,000
305	Hose and belting and gaskets and packing	31.59%	74.57%	\$9.12	3,700	3,300
254	Partitions and fixtures	31.50%	66.27%	\$10.17	8,200	5,900
347	Metal services, n.e.c.	31.14%	70.92%	\$10.02	18,400	14,500
332	Iron and steel foundries	30.48%	81.01%	\$10.21	4,500	3,400
380	Instruments and related products	30.40%	90.11%	\$11.52	180,600	79,100
376	Guided missiles, space vehicles, parts	29.50%	88.14%	\$19.39	89,500	22,600
356	General industrial machinery	28.70%	59.93%	\$11.19	20,900	12,500
275	Commercial printing	28.55%	67.84%	\$11.41	62,300	44,200
362	Electrical industrial apparatus	28.51%	74.10%	\$9.76	10,000	5,900
399	Miscellaneous manufactures	27.16%	65.55%	\$8.40	15,400	10,800
355	Special industry machinery	27.00%	70.17%	\$12.27	16,700	7,300
342	Cutlery, handtools, and hardware	26.74%	63.49%	\$10.15	12,200	8,800
366	Communications equipment	26.68%	75.46%	\$12.75	36,200	12,300
323	Products of purchased glass	26.42%	51.01%	\$9.58	5,200	3,900
349	Miscellaneous fabricated metal products	25.85%	60.22%	\$12.19	19,300	12,100
372	Aircraft and parts	25.72%	46.62%	\$18.18	123,200	67,600
270	Printing and publishing	25.62%	80.67%	\$12.06	163,900	82,600
344	Fabricated structural metal products	25.35%	47.95%	\$11.42	36,300	25,700
370	Transportation equipment	25.17%	51.05%	\$16.75	259,900	124,900
346	Metal forgings and stampings	24.99%	51.80%	\$11.55	15,100	11,400
250	Furniture and fixtures	24.85%	50.63%	\$8.44	49,000	38,200
367	Electronic components and accessories	24.62%	74.38%	\$10.58	125,100	74,200
259	Miscellaneous furniture and fixtures	24.55%	49.43%	\$8.10	7,500	5,400
340	Fabricated metal products	24.40%	49.10%	\$11.72	128,700	92,900
384	Medical instruments and supplies	24.33%	72.20%	\$11.41	45,100	23,200
243	Millwork, plywood, and structural members	24.16%	42.50%	\$9.61	21,400	16,400
252	Office furniture	23.95%	70.08%	\$10.69	5,400	3,800
316	Luggage	23.87%	50.98%	\$11.93	2,800	2,600
251	Household furniture	23.63%	45.12%	\$7.66	25,700	21,500
360	Electronic and other electric equipment	23.38%	59.68%	\$10.73	221,600	124,000
205	Bakery products	23.14%	65.99%	\$12.54	20,500	12,700
353	Construction and related machinery	22.66%	45.54%	\$12.39	6,600	4,200
244	Wood containers	22.61%	35.63%	\$8.29	4,400	3,600
239	Miscellaneous fabricated textile products	22.61%	43.98%	\$7.52	20,700	18,100
369	Miscellaneous electrical equipment & supplies	22.22%	46.83%	\$11.59	22,400	13,400
343	Plumbing and heating, except electric	22.01%	44.42%	\$11.07	7,400	5,300

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
CALIFORNIA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
300	Rubber and miscellaneous plastics products	21.98%	46.13%	\$9.58	77,300	57,800
241	Logging	21.82%	44.36%	\$14.55	5,400	4,600
249	Miscellaneous wood products	21.77%	38.52%	\$8.41	8,600	6,900
308	Miscellaneous plastics products, n.e.c.	21.71%	45.04%	\$9.77	63,000	46,500
233	Women's and misses' outerwear	21.52%	43.02%	\$6.10	73,900	62,300
225	Knitting mills	21.47%	47.48%	\$6.21	7,200	6,500
390	Miscellaneous manufacturing industries	21.40%	46.03%	\$7.79	40,400	28,600
350	Industrial machinery and equipment	21.36%	47.66%	\$12.25	183,300	93,500
306	Fabricated rubber products, n.e.c.	21.22%	45.57%	\$9.04	7,500	5,900
352	Farm and garden machinery	21.19%	47.14%	\$8.77	2,100	1,500
364	Electric lighting and wiring equipment	20.86%	45.47%	\$8.78	11,200	7,600
361	Electric distribution equipment	20.85%	40.28%	\$11.17	3,900	2,500
322	Glass and glassware, pressed or blown	20.76%	43.36%	\$14.46	7,400	6,400
329	Miscellaneous nonmetallic mineral products	20.68%	42.18%	\$13.60	3,600	2,800
320	Stone, clay, and glass products	20.42%	40.73%	\$12.15	47,000	35,800
240	Lumber and wood products	20.24%	34.45%	\$10.45	56,500	45,600
391	Jewelry, silverware, and plated ware	20.15%	37.66%	\$7.34	4,300	2,800

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
COLORADO

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
COLORADO MANUFACTURING TOTAL		21.05%	43.38%	\$12.57	176,200	98,600
Total Identified Meeting Criteria					62,800	35,500
359	Industrial machinery, n.e.c.	35.94%	96.64%	\$9.85	3,800	3,000
340	Fabricated metal products	32.78%	75.35%	\$13.21	17,300	10,600
367	Electronic components and accessories	32.43%	69.92%	\$10.27	8,100	5,000
399	Miscellaneous manufactures	31.99%	86.36%	\$7.00	1,400	900
357	Computer and office equipment	31.56%	70.82%	\$17.95	12,400	3,400
300	Rubber and miscellaneous plastics products	31.17%	65.64%	\$10.03	7,200	3,800
354	Metalworking machinery	30.91%	62.66%	\$11.89	1,400	900
346	Metal forgings and stampings	30.23%	64.33%	\$9.20	1,100	800
382	Measuring and controlling devices	30.00%	63.50%	\$11.93	8,300	4,200
350	Industrial machinery and equipment	29.45%	68.97%	\$12.98	25,100	11,500
250	Furniture and fixtures	29.17%	70.21%	\$7.73	2,000	1,400
356	General industrial machinery	29.09%	76.89%	\$12.75	1,900	1,100
273	Books	28.92%	171.71%	\$9.81	1,900	1,400
349	Miscellaneous fabricated metal products	28.60%	71.29%	\$11.16	2,100	1,600
275	Commercial printing	26.95%	55.86%	\$9.84	7,000	4,600
360	Electronic and other electric equipment	26.07%	51.68%	\$10.12	13,100	7,600
353	Construction and related machinery	24.61%	60.93%	\$11.40	2,200	1,100
320	Stone, clay, and glass products	23.97%	50.81%	\$11.72	6,700	4,600
243	Millwork, plywood, and structural members	23.41%	59.01%	\$7.68	1,500	1,300
272	Periodicals	21.96%	79.65%	(\$0.50)	1,100	100
240	Lumber and wood products	21.38%	40.97%	\$7.51	2,300	1,900
380	Instruments and related products	20.93%	62.10%	\$12.46	22,100	10,800
327	Concrete, gypsum, and plaster products	20.84%	44.02%	\$11.41	3,100	2,200
251	Household furniture	20.58%	40.30%	\$6.81	1,000	800
344	Fabricated structural metal products	20.13%	30.99%	\$10.98	4,500	3,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOB AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA CONNECTICUT

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
CONNECTICUT MANUFACTURING TOTAL		29.44%	73.58%	\$12.81	338,600	175,800
Total Identified Meeting Criteria					175,700	101,200
279	Printing trade services	52.72%	203.86%	\$18.40	1,100	800
381	Search and navigation equipment	49.92%	125.03%	\$14.23	4,800	2,200
361	Electric distribution equipment	47.57%	110.37%	\$12.80	1,500	900
239	Miscellaneous fabricated textile products	44.26%	137.96%	\$8.62	1,000	800
359	Industrial machinery, n.e.c.	38.56%	110.65%	\$11.83	6,700	4,700
354	Metalworking machinery	36.13%	102.79%	\$13.91	7,200	5,000
356	General industrial machinery	36.11%	94.19%	\$14.58	7,500	5,200
243	Millwork, plywood, and structural members	35.70%	69.23%	\$13.10	1,500	1,500
367	Electronic components and accessories	33.05%	85.71%	\$9.88	7,600	5,300
344	Fabricated structural metal products	32.81%	62.92%	\$11.15	3,600	2,300
345	Screw machine products, bolts, etc.	32.49%	94.21%	\$10.29	4,600	3,000
347	Metal services, n.e.c.	31.74%	93.47%	\$11.74	3,200	2,400
240	Lumber and wood products	31.25%	58.74%	\$11.53	2,900	2,700
350	Industrial machinery and equipment	30.68%	84.54%	\$14.91	49,900	23,500
306	Fabricated rubber products, n.e.c.	30.56%	95.29%	\$9.18	1,500	1,100
362	Electrical industrial apparatus	30.27%	72.13%	\$9.98	4,400	2,900
357	Computer and office equipment	29.68%	89.14%	\$16.97	16,000	2,200
274	Miscellaneous publishing	29.50%	126.05%	\$11.00	1,400	300
370	Transportation equipment	29.32%	78.30%	\$14.94	71,800	37,900
369	Miscellaneous electrical equipment & supplies	28.96%	70.56%	\$10.34	3,800	2,100
382	Measuring and controlling devices	28.74%	80.12%	\$13.17	9,500	4,400
349	Miscellaneous fabricated metal products	28.50%	72.63%	\$10.91	6,500	4,500
296	Industrial organic chemicals	28.40%	73.11%	\$19.00	3,900	1,500
275	Commercial printing	28.21%	68.92%	\$10.80	9,500	6,900
289	Miscellaneous chemical products	28.02%	58.48%	\$12.00	2,300	800
348	Ordnance and accessories, n.e.c.	27.23%	77.42%	\$12.17	2,600	1,900
358	Refrigeration and service machinery	27.11%	63.41%	\$11.00	1,200	700
340	Fabricated metal products	26.88%	67.08%	\$11.30	34,100	23,600
360	Electronic and other electric equipment	26.86%	67.34%	\$10.22	28,200	17,000
355	Special industry machinery	25.30%	71.29%	\$15.20	5,000	2,600
351	Engines and turbines	25.28%	64.50%	\$24.27	5,900	2,800
225	Knitting mills	25.10%	70.59%	\$6.04	1,100	1,000
346	Metal forgings and stampings	24.72%	53.67%	\$11.08	5,900	4,600
250	Furniture and fixtures	24.53%	56.14%	\$15.19	1,500	900
380	Instruments and related products	24.15%	66.24%	\$13.94	25,300	13,900
220	Textile mill products	24.10%	54.22%	\$8.12	4,100	3,500
230	Apparel and other textile products	24.04%	56.86%	\$8.05	3,300	2,400
278	Blankbooks and bookbinding	23.90%	80.53%	\$9.07	1,200	800
227	Concrete, gypsum, and plaster products	23.25%	56.22%	\$14.26	1,000	800
265	Paperboard containers and boxes	22.88%	40.67%	\$10.58	3,000	2,300
366	Communications equipment	22.33%	60.20%	\$10.13	4,100	1,300
233	Women's and misses' outerwear	22.22%	44.18%	\$9.00	1,200	1,000
300	Rubber and miscellaneous plastics products	22.13%	48.03%	\$10.96	9,000	7,000
342	Cutlery, handtools, and hardware	21.98%	57.57%	\$12.80	7,000	4,400
308	Miscellaneous plastics products, n.e.c.	21.82%	44.30%	\$11.16	7,000	5,400

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA CONNECTICUT

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
364	Electric lighting and wiring equipment	21.77%	55.44%	\$10.52	5,300	3,500
273	Books	21.71%	71.02%	\$13.83	1,100	300
283	Drugs	21.50%	74.12%	\$13.62	4,500	700
384	Medical instruments and supplies	21.24%	73.19%	\$15.16	9,500	6,300
330	Primary metal industries	20.66%	31.83%	\$12.77	12,200	8,700
320	Stone, clay, and glass products	20.44%	39.14%	\$12.73	3,500	2,600

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

15

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA DELAWARE

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
DELAWARE MANUFACTURING TOTAL		20.39%	31.54%	\$13.47	62,400	27,900
Total Identified Meeting Criteria					4,200	3,000
275	Commercial printing	38.46%	121.40%	\$11.06	1,100	900
340	Fabricated metal products	28.04%	66.81%	\$12.08	1,800	1,200
350	Industrial machinery and equipment	27.16%	59.88%	\$13.30	1,300	900

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

16

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
FLORIDA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
FLORIDA MANUFACTURING TOTAL		20.58%	40.25%	\$9.60	473,100	285,500
Total Identified Meeting Criteria					268,300	184,500
279	Printing trade services	44.77%	155.74%	\$10.97	2,300	1,700
354	Metalworking machinery	37.36%	104.12%	\$12.09	2,300	1,800
382	Measuring and controlling devices	36.03%	76.48%	\$12.29	6,500	3,400
345	Screw machine products, bolts, etc.	33.42%	93.40%	\$9.60	1,300	1,000
342	Cutlery, handtools, and hardware	30.92%	80.25%	\$9.33	1,800	1,200
233	Women's and misses' outerwear	30.27%	71.13%	\$6.77	16,200	13,900
278	Blankbooks and bookbinding	30.23%	169.68%	\$9.90	1,300	1,100
322	Glass and glassware, pressed or blown	29.64%	53.78%	\$14.18	1,100	1,000
359	Industrial machinery, n.e.c.	29.62%	77.14%	\$11.25	5,100	3,800
274	Miscellaneous publishing	28.81%	130.04%	\$8.13	3,100	1,200
362	Electrical industrial apparatus	28.53%	79.65%	\$4.67	2,800	1,700
357	Computer and office equipment	28.21%	58.93%	\$10.34	4,100	1,700
275	Commercial printing	28.13%	63.75%	\$9.04	22,000	15,400
373	Ship and boat building and repairing	28.06%	57.20%	\$9.83	15,200	12,400
367	Electronic components and accessories	27.81%	64.45%	\$9.17	17,700	11,000
369	Miscellaneous electrical equipment & supplies	27.74%	60.12%	\$8.61	8,400	4,200
385	Ophthalmic goods	27.44%	106.60%	\$10.61	3,900	2,900
380	Instruments and related products	27.12%	79.42%	\$10.67	39,000	17,600
349	Miscellaneous fabricated metal products	26.89%	59.69%	\$9.40	5,100	3,600
355	Special industry machinery	26.83%	59.79%	\$10.12	2,000	900
384	Medical instruments and supplies	26.83%	86.10%	\$8.64	7,700	4,500
270	Printing and publishing	26.72%	82.02%	\$9.86	57,600	28,900
399	Miscellaneous manufactures	26.43%	54.58%	\$8.42	5,100	3,500
230	Apparel and other textile products	26.21%	58.39%	\$7.07	34,900	29,600
350	Industrial machinery and equipment	26.00%	54.60%	\$10.54	25,200	15,900
353	Construction and related machinery	25.91%	48.13%	\$10.58	2,400	1,300
360	Electronic and other electric equipment	25.53%	65.81%	\$9.08	57,500	27,000
381	Search and navigation equipment	25.16%	75.82%	\$11.26	20,600	6,700
232	Men's and boys' furnishings	25.12%	43.67%	\$6.85	7,100	6,400
356	General industrial machinery	24.71%	55.98%	\$11.17	4,500	3,100
323	Products of purchased glass	24.64%	47.66%	\$9.26	1,600	1,200
370	Transportation equipment	24.57%	49.56%	\$10.40	40,100	24,900
372	Aircraft and parts	24.48%	51.84%	\$12.67	15,400	6,100
259	Miscellaneous furniture and fixtures	24.41%	47.43%	\$5.63	5,100	4,000
366	Communications equipment	24.22%	69.73%	\$11.27	25,600	7,900
243	Millwork, plywood, and structural members	24.15%	44.30%	\$9.29	7,100	5,500
347	Metal services, n.e.c.	24.03%	40.51%	\$9.65	2,000	1,400
238	Miscellaneous apparel and accessories	23.92%	43.45%	\$5.25	1,000	800
272	Periodicals	23.82%	53.46%	\$24.50	2,800	100
364	Electric lighting and wiring equipment	22.83%	49.48%	\$8.18	1,200	900
346	Metal forgings and stampings	22.30%	42.13%	\$8.71	2,600	1,800
390	Miscellaneous manufacturing industries	21.85%	43.59%	\$8.35	8,600	6,000
306	Fabricated rubber products, n.e.c.	21.83%	47.40%	\$7.19	1,800	1,400
239	Miscellaneous fabricated textile products	21.83%	43.63%	\$8.46	6,400	5,100
250	Furniture and fixtures	21.81%	44.05%	\$6.43	11,900	9,100

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
FLORIDA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
251	Household furniture	21.36%	46.52%	\$5.99	5,400	4,100
236	Girls' and children's outerwear	20.83%	62.52%	\$7.16	3,200	2,600
340	Fabricated metal products	20.82%	35.53%	\$9.90	29,300	20,100
344	Fabricated structural metal products	20.39%	34.94%	\$8.95	16,100	11,200
394	Toys and sporting goods	20.02%	43.30%	\$7.94	1,400	1,000

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC Industries (eg, 250, 340...) are omitted from totals.

Additional Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
GEORGIA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
GEORGIA MANUFACTURING TOTAL		15.85%	28.41%	\$9.52	545,100	381,800
Total Meeting Criteria					90,400	69,000
359	Industrial machinery, n.e.c.	37.17%	89.39%	\$10.10	4,600	3,400
273	Books	36.24%	109.91%	\$9.25	1,200	900
278	Blankbooks and bookbinding	30.74%	137.01%	\$7.52	2,700	2,300
232	Men's and boys' furnishings	29.55%	81.09%	\$5.55	25,900	22,500
382	Measuring and controlling devices	29.10%	96.07%	\$11.43	2,300	1,400
355	Special industry machinery	28.56%	58.31%	\$10.05	4,700	2,700
328	Cut stone and stone products	28.16%	74.58%	\$9.83	1,800	1,400
275	Commercial printing	26.23%	56.20%	\$10.39	13,300	9,100
236	Girls' and children's outerwear	24.71%	71.45%	\$5.38	4,500	3,700
325	Structural clay products	24.57%	55.65%	\$9.74	1,800	1,300
380	Instruments and related products	23.55%	66.88%	\$10.78	9,700	5,600
356	General industrial machinery	23.51%	61.93%	\$13.66	4,100	2,500
230	Apparel and other textile products	23.35%	47.86%	\$5.74	70,100	59,200
332	Iron and steel foundries	22.78%	48.63%	\$8.56	1,100	900
272	Periodicals	21.45%	75.75%	\$10.72	1,900	800
353	Construction and related machinery	21.12%	41.41%	\$9.70	1,600	1,000
350	Industrial machinery and equipment	20.80%	36.86%	\$10.24	27,700	18,700
399	Miscellaneous manufactures	20.77%	62.19%	\$6.10	3,000	2,500
390	Miscellaneous manufacturing industries	20.70%	46.98%	\$7.77	6,800	5,300
239	Miscellaneous fabricated textile products	20.47%	36.32%	\$6.50	12,900	10,300
361	Electric distribution equipment	20.43%	39.02%	\$14.73	3,000	2,300

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
IDAHO

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY Production Wage*	EMPLOYMENT	
		Shipments*	Materials*		Total	Production
IDAHO MANUFACTURING TOTAL		16.38%	27.64%	\$10.83	60,500	44,500
Total Identified Meeting Criteria					11,900	8,700
390	Miscellaneous manufacturing industries	28.64%	47.61%	\$6.79	1,000	700
367	Electronic components and accessories	26.88%	109.87%	\$14.10	6,200	4,300
275	Commercial printing	25.85%	75.86%	\$7.94	2,200	1,800
340	Fabricated metal products	23.52%	42.24%	\$10.13	2,500	1,900

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

ILLINOIS

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
ILLINOIS MANUFACTURING TOTAL		20.18%	37.77%	\$12.18	976,100	588,900
Total Identified Meeting Criteria					465,400	305,900
279	Printing trade services	43.46%	198.73%	\$16.10	4,800	3,700
326	Pottery and related products	37.10%	120.52%	\$9.52	2,000	1,700
359	Industrial machinery, n.e.c.	33.87%	85.27%	\$11.08	20,200	14,900
339	Miscellaneous primary metal products	33.70%	96.54%	\$8.97	1,400	1,200
354	Metalworking machinery	33.36%	72.26%	\$13.57	25,300	17,100
381	Search and navigation equipment	33.02%	121.75%	\$11.00	5,000	1,200
283	Drugs	30.92%	110.86%	\$26.38	16,600	3,900
252	Office furniture	30.46%	72.98%	\$18.18	1,100	700
249	Miscellaneous wood products	29.70%	74.83%	\$5.59	3,400	2,800
277	Greeting cards	29.37%	83.77%	\$7.93	1,000	700
345	Screw machine products, bolts, etc.	29.01%	69.75%	\$11.69	14,300	10,400
305	Hose and belting and gaskets and packing	28.81%	48.58%	\$11.80	7,400	4,900
278	Blankbooks and bookbinding	28.65%	67.66%	\$8.48	7,900	5,800
233	Women's and misses' outerwear	27.87%	75.74%	\$9.06	2,600	2,200
355	Special industry machinery	27.34%	60.67%	\$13.94	9,600	6,000
327	Concrete, gypsum, and plaster products	27.20%	54.07%	\$13.97	8,800	5,100
275	Commercial printing	26.34%	57.09%	\$12.45	47,200	35,000
361	Electric distribution equipment	26.32%	63.78%	\$11.54	7,400	5,100
323	Products of purchased glass	26.18%	59.92%	\$11.68	1,500	1,200
367	Electronic components and accessories	25.94%	58.41%	\$8.43	20,700	15,100
320	Stone, clay, and glass products	25.68%	55.20%	\$12.73	22,100	15,700
356	General industrial machinery	25.56%	63.36%	\$12.63	22,800	14,800
399	Miscellaneous manufactures	25.17%	54.66%	\$7.98	12,100	8,000
347	Metal services, n.e.c.	25.12%	51.63%	\$9.24	9,600	7,600
270	Printing and publishing	25.05%	67.46%	\$12.41	105,000	59,700
322	Glass and glassware, pressed or blown	25.04%	55.34%	\$14.79	3,300	2,900
391	Jewelry, silverware, and plated ware	25.02%	74.49%	\$9.57	1,600	1,100
357	Computer and office equipment	24.97%	60.06%	\$14.47	5,700	2,000
342	Cutlery, handtools, and hardware	24.92%	57.76%	\$10.61	12,600	9,200
346	Metal forgings and stampings	24.91%	47.09%	\$13.06	20,400	16,000
382	Measuring and controlling devices	24.80%	57.77%	\$11.57	12,400	6,000
380	Instruments and related products	24.76%	61.31%	\$10.51	32,600	15,600
364	Electric lighting and wiring equipment	24.39%	62.15%	\$10.61	15,200	10,100
240	Lumber and wood products	24.23%	47.77%	\$8.01	12,000	9,700
349	Miscellaneous fabricated metal products	24.17%	47.30%	\$10.69	19,500	14,000
272	Periodicals	24.09%	79.44%	\$16.71	11,300	2,700
340	Fabricated metal products	23.63%	45.90%	\$11.71	99,700	73,600
350	Industrial machinery and equipment	23.22%	48.11%	\$14.34	134,200	89,100
366	Communications equipment	23.14%	52.92%	\$15.24	23,300	9,400
230	Apparel and other textile products	23.05%	45.33%	\$7.96	13,300	10,200
360	Electronic and other electric equipment	22.86%	50.31%	\$10.58	95,700	59,400
362	Electrical industrial apparatus	22.75%	44.87%	\$9.26	9,700	6,200
390	Miscellaneous manufacturing industries	22.70%	49.59%	\$8.07	22,000	15,000
329	Miscellaneous nonmetallic mineral products	22.63%	55.94%	\$11.12	3,900	2,900
369	Miscellaneous electrical equipment & supplies	21.91%	42.84%	\$9.18	6,500	4,400

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
ILLINOIS

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY Production Wage*	EMPLOYMENT	
		Shipments*	Materials*		Total	Production
243	Millwork, plywood, and structural members	21.89%	40.01%	\$9.19	5,600	4,200
250	Furniture and fixtures	21.76%	44.91%	\$9.66	15,000	11,200
251	Household furniture	21.75%	43.56%	\$7.14	6,100	4,800
384	Medical instruments and supplies	21.71%	50.52%	\$9.52	9,100	5,800
386	Photographic equipment & supplies	21.25%	42.13%	\$11.48	3,200	1,300
300	Rubber and miscellaneous plastics products	21.04%	42.98%	\$10.64	59,100	45,300
308	Miscellaneous plastics products, n.e.c.	20.38%	42.25%	\$9.83	42,000	32,900
238	Miscellaneous apparel and accessories	20.06%	51.97%	\$7.89	1,300	900

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

INDIANA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
INDIANA MANUFACTURING TOTAL		18.25%	33.53%	\$12.86	594,100	415,200
Total Identified Meeting Criteria					237,600	177,700
354	Metalworking machinery	39.28%	127.38%	\$12.01	10,900	8,300
279	Printing trade services	39.13%	146.24%	\$10.74	1,500	1,200
347	Metal services, n.e.c.	38.19%	80.88%	\$10.02	5,000	3,900
359	Industrial machinery, n.e.c.	35.80%	98.94%	\$11.37	11,000	8,200
332	Iron and steel foundries	34.57%	83.95%	\$13.85	9,500	7,700
382	Measuring and controlling devices	34.01%	87.88%	\$10.38	4,700	3,000
372	Aircraft and parts	32.63%	71.37%	\$18.06	11,500	6,600
393	Musical instruments	32.18%	101.43%	\$11.12	1,600	1,300
278	Blankbooks and bookbinding	30.93%	102.29%	\$7.69	2,700	2,200
346	Metal forgings and stampings	29.30%	48.37%	\$16.73	12,900	10,300
306	Fabricated rubber products, n.e.c.	28.58%	66.72%	\$10.28	8,700	6,800
364	Electric lighting and wiring equipment	27.96%	52.02%	\$15.38	8,800	6,700
382	Electrical industrial apparatus	27.60%	65.11%	\$10.80	7,600	5,900
349	Miscellaneous fabricated metal products	27.44%	63.97%	\$10.33	11,300	8,800
355	Special industry machinery	27.07%	61.51%	\$12.36	3,000	2,000
336	Nonferrous foundries (castings)	26.64%	47.83%	\$17.60	4,000	3,300
253	Public building and related furniture	26.59%	47.44%	\$9.22	3,100	2,500
389	Miscellaneous electrical equipment & supplies	26.49%	47.18%	\$15.29	12,600	10,200
270	Printing and publishing	26.06%	69.60%	\$11.04	37,000	22,900
273	Books	25.90%	63.89%	\$12.52	4,700	3,800
259	Miscellaneous furniture and fixtures	25.64%	80.75%	\$10.18	3,000	1,800
367	Electronic components and accessories	25.34%	52.64%	\$9.60	11,800	8,600
356	General industrial machinery	25.11%	58.42%	\$12.83	11,000	7,200
252	Office furniture	24.80%	57.19%	\$9.12	5,400	4,500
340	Fabricated metal products	24.40%	45.69%	\$12.61	52,500	39,700
254	Partitions and fixtures	24.21%	47.80%	\$9.18	3,600	2,900
250	Furniture and fixtures	24.08%	50.93%	\$9.15	23,800	19,000
275	Commercial printing	23.60%	54.92%	\$11.82	13,300	9,700
399	Miscellaneous manufactures	23.41%	50.27%	\$10.34	5,900	4,000
322	Glass and glassware, pressed or blown	23.21%	59.36%	\$13.88	3,100	2,600
244	Wood containers	22.93%	41.31%	\$7.05	1,400	1,200
350	Industrial machinery and equipment	22.87%	46.25%	\$12.65	61,800	42,200
342	Cutlery, handtools, and hardware	22.70%	46.81%	\$15.91	2,800	1,800
242	Sawmills and planing mills	22.58%	38.58%	\$7.65	3,000	2,500
251	Household furniture	22.23%	41.48%	\$8.88	8,800	7,300
329	Miscellaneous nonmetallic mineral products	22.20%	44.33%	\$12.16	2,600	1,900
274	Miscellaneous publishing	21.91%	74.35%	\$6.17	1,000	200
327	Concrete, gypsum, and plaster products	21.82%	42.59%	\$11.15	4,500	3,400
353	Construction and related machinery	21.80%	37.78%	\$10.90	4,800	2,900
249	Miscellaneous wood products	21.71%	42.19%	\$7.07	2,000	1,600
300	Rubber and miscellaneous plastics products	21.48%	43.78%	\$10.01	40,700	31,900
360	Electronic and other electric equipment	21.32%	38.88%	\$12.54	61,300	46,300
344	Fabricated structural metal products	21.30%	36.20%	\$10.54	11,700	8,500
323	Products of purchased glass	21.21%	42.42%	\$9.82	3,000	2,400
380	Instruments and related products	20.60%	78.72%	\$12.03	14,100	9,400

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (e.g., 250, 340...) are omitted from totals. Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
IOWA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
IOWA MANUFACTURING TOTAL		13.26%	23.23%	\$11.76	224,000	154,000
Total Identified Meeting Criteria					57,400	39,800
332	Iron and steel foundries	28.21%	56.93%	\$13.35	3,900	3,200
380	Instruments and related products	28.07%	99.50%	\$12.36	8,600	3,600
275	Commercial printing	26.70%	61.29%	\$9.94	7,100	5,300
340	Fabricated metal products	25.00%	52.44%	\$10.80	18,600	13,100
240	Lumber and wood products	24.89%	49.15%	\$9.71	6,800	5,600
390	Miscellaneous manufacturing industries	22.67%	49.08%	\$8.77	4,800	3,300
250	Furniture and fixtures	21.89%	45.95%	\$9.78	4,400	3,600
205	Bakery products	20.29%	42.29%	\$10.63	3,200	2,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

24

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
KANSAS

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
KANSAS MANUFACTURING TOTAL		13.98%	23.23%	\$11.64	187,000	125,100
Total Identified Meeting Criteria					92,500	61,900
273	Books	27.64%	96.55%	\$7.56	1,400	1,100
289	Miscellaneous chemical products	23.28%	81.96%	\$13.95	1,800	1,200
340	Fabricated metal products	22.45%	47.88%	\$9.09	8,200	5,900
275	Commercial printing	22.28%	50.72%	\$10.76	6,500	4,600
370	Transportation equipment	22.04%	40.83%	\$14.89	47,400	30,100
320	Stone, clay, and glass products	21.12%	47.63%	\$12.53	5,500	4,500
350	Industrial machinery and equipment	20.82%	41.38%	\$11.33	21,700	14,500

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
KENTUCKY

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY Production Wage*	EMPLOYMENT	
		Shipments*	Materials*		Total	Production
KENTUCKY MANUFACTURING TOTAL		19.08%	23.54%	\$11.03	272,900	204,800
Total Identified Meeting Criteria					109,400	85,400
380	Instruments and related products	29.77%	64.97%	\$10.00	2,700	2,000
273	Books	28.06%	78.54%	\$13.75	1,400	900
230	Apparel and other textile products	26.28%	72.90%	\$6.55	36,800	33,300
243	Millwork, plywood, and structural members	25.72%	49.66%	\$7.50	2,200	1,800
251	Household furniture	22.80%	46.49%	\$6.24	2,700	2,200
275	Commercial printing	22.11%	45.06%	\$11.43	8,500	6,400
350	Industrial machinery and equipment	21.31%	45.39%	\$11.85	27,100	18,000
320	Stone, clay, and glass products	20.33%	48.11%	\$10.91	8,400	6,400
340	Fabricated metal products	20.22%	39.00%	\$10.25	19,600	14,400

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

26

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
LOUISIANA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
LOUISIANA MANUFACTURING TOTAL		7.90%	12.19%	\$12.03	174,800	122,900
Total Identified Meeting Criteria					49,400	38,100
230	Apparel and other textile products	35.11%	56.34%	\$5.46	9,500	9,300
275	Commercial printing	31.25%	63.86%	\$9.23	4,000	2,700
394	Toys and sporting goods	26.02%	62.46%	\$7.63	1,100	800
349	Miscellaneous fabricated metal products	24.84%	42.62%	\$13.18	3,200	2,400
380	Instruments and related products	23.39%	47.26%	\$14.08	1,000	700
205	Bakery products	23.36%	68.07%	\$8.12	2,300	1,300
340	Fabricated metal products	21.98%	42.65%	\$10.13	13,600	10,200
350	Industrial machinery and equipment	21.34%	50.42%	\$10.80	8,300	5,700
399	Miscellaneous manufactures	20.52%	22.92%	\$14.36	1,100	800
360	Electronic and other electric equipment	20.26%	39.33%	\$16.86	5,300	4,200

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

27

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
MAINE

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
MAINE MANUFACTURING TOTAL		21.05%	39.68%	\$11.24	97,800	71,500
Total Identified Meeting Criteria					55,800	42,000
370	Transportation equipment	32.08%	78.13%	\$13.70	13,900	10,000
344	Fabricated structural metal products	30.82%	62.78%	\$10.38	1,600	1,100
340	Fabricated metal products	27.52%	68.43%	\$11.79	3,900	2,800
249	Miscellaneous wood products	26.38%	58.54%	\$8.39	3,700	3,100
350	Industrial machinery and equipment	26.24%	61.09%	\$10.14	3,600	2,600
275	Commercial printing	25.52%	51.07%	\$9.25	1,900	1,300
223	Broadwoven fabric mills, wool	24.80%	53.90%	\$8.67	1,600	1,400
360	Electronic and other electric equipment	23.03%	55.37%	\$12.42	7,200	4,600
242	Sawmills and planing mills	22.35%	33.61%	\$8.18	3,400	2,800
205	Bakery products	21.61%	61.71%	\$12.86	1,400	700
314	Footwear, except rubber	20.37%	43.72%	\$7.32	8,100	7,100
220	Textile mill products	20.14%	36.76%	\$8.37	5,500	4,500

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
MARYLAND

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
MARYLAND MANUFACTURING TOTAL		21.20%	43.81%	\$12.73	200,600	111,900
Total Identified Meeting Criteria					77,900	42,000
359	Industrial machinery, n.e.c.	39.76%	132.69%	\$12.60	3,000	2,200
232	Men's and boys' furnishings	39.75%	122.32%	\$10.85	1,100	900
372	Aircraft and parts	36.92%	121.35%	\$16.00	1,200	900
381	Search and navigation equipment	33.57%	105.64%	\$23.82	20,000	6,600
278	Blankbooks and bookbinding	32.68%	111.48%	\$10.28	1,800	1,400
274	Miscellaneous publishing	32.40%	236.02%	\$10.18	2,200	600
380	Instruments and related products	32.26%	95.86%	\$21.56	24,500	8,100
390	Miscellaneous manufacturing industries	30.30%	70.61%	\$7.59	3,500	2,300
367	Electronic components and accessories	29.85%	85.45%	\$10.12	3,000	1,700
361	Electric distribution equipment	29.37%	88.86%	\$8.32	1,800	1,300
369	Miscellaneous electrical equipment & supplies	29.33%	84.87%	\$7.33	1,400	300
275	Commercial printing	29.16%	65.04%	\$11.95	12,300	8,700
382	Measuring and controlling devices	29.08%	81.34%	ERR	1,900	0
344	Fabricated structural metal products	29.03%	55.66%	\$10.68	4,400	2,900
399	Miscellaneous manufactures	28.68%	61.55%	\$7.87	2,200	1,600
356	General industrial machinery	28.01%	68.43%	\$13.67	2,300	1,200
273	Books	26.72%	55.43%	\$13.23	3,200	2,000
239	Miscellaneous fabricated textile products	26.39%	55.70%	\$9.77	1,400	1,000
250	Furniture and fixtures	26.00%	57.29%	\$10.43	3,300	2,600
360	Electronic and other electric equipment	25.98%	61.01%	\$11.80	9,600	4,200
230	Apparel and other textile products	25.83%	54.10%	\$9.46	5,600	4,300
350	Industrial machinery and equipment	24.46%	54.19%	\$13.02	13,200	8,400
366	Communications equipment	24.27%	44.90%	\$14.00	3,000	1,100
251	Household furniture	24.26%	53.08%	\$9.82	1,500	1,200
231	Men's and boys' suits and coats	23.51%	58.63%	\$7.52	1,200	1,000
340	Fabricated metal products	22.92%	39.80%	\$10.80	10,000	7,100
272	Periodicals	22.64%	70.00%	\$10.00	1,800	400
384	Medical instruments and supplies	22.34%	40.77%	\$12.15	1,200	700
320	Stone, clay, and glass products	22.25%	44.57%	\$12.42	5,200	3,800
349	Miscellaneous fabricated metal products	21.88%	39.67%	\$11.13	2,200	1,600
243	Millwork, plywood, and structural members	21.49%	32.36%	\$9.15	1,300	1,100
358	Refrigeration and service machinery	21.49%	42.06%	\$11.25	2,500	1,600
300	Rubber and miscellaneous plastics products	21.36%	41.01%	\$10.69	7,600	5,700
308	Miscellaneous plastics products, n.e.c.	20.89%	40.48%	\$10.11	6,000	4,700
265	Paperboard containers and boxes	20.17%	33.14%	\$9.97	5,500	4,200

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
MASSACHUSETTS

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
MASSACHUSETTS MFGING TOTAL		25.61%	57.54%	\$12.08	489,700	274,800
Total Identified Meeting Criteria					233,300	144,800
354	Metalworking machinery	40.35%	131.96%	\$13.19	7,000	4,700
347	Metal services, n.e.c.	38.29%	107.48%	\$9.91	3,900	2,900
339	Miscellaneous primary metal products	37.24%	96.47%	\$9.43	5,000	2,700
348	Ordnance and accessories, n.e.c.	35.43%	87.44%	\$19.70	2,300	1,800
345	Screw machine products, bolts, etc.	34.63%	88.99%	\$13.41	2,200	1,600
367	Electronic components and accessories	32.41%	77.38%	\$11.57	31,900	19,700
329	Miscellaneous nonmetallic mineral products	32.31%	92.22%	\$12.58	5,300	3,100
275	Commercial printing	31.88%	76.76%	\$12.10	13,200	9,500
344	Fabricated structural metal products	30.13%	63.72%	\$12.64	5,300	4,000
382	Measuring and controlling devices	28.94%	88.17%	\$9.63	24,900	10,200
320	Stone, clay, and glass products	28.74%	71.28%	\$12.85	9,000	6,000
346	Metal forgings and stampings	28.53%	45.95%	\$12.22	5,700	4,300
340	Fabricated metal products	27.15%	64.45%	\$12.86	32,900	24,200
381	Search and navigation equipment	26.73%	67.01%	\$16.75	17,200	11,000
226	Textile finishing, except wool	26.42%	57.72%	\$10.10	3,400	2,500
384	Medical instruments and supplies	26.02%	72.29%	\$11.39	15,000	7,900
380	Instruments and related products	25.88%	72.89%	\$12.83	64,700	33,700
396	Costume jewelry and notions	25.85%	52.81%	\$8.16	1,800	1,600
270	Printing and publishing	25.83%	79.95%	\$12.65	47,900	22,500
360	Electronic and other electric equipment	25.70%	57.15%	\$13.37	68,400	40,800
350	Industrial machinery and equipment	24.82%	56.45%	\$13.14	52,300	26,800
356	General industrial machinery	24.64%	54.24%	\$12.51	6,100	3,500
349	Miscellaneous fabricated metal products	24.59%	53.78%	\$14.47	5,900	3,700
250	Furniture and fixtures	23.83%	50.09%	\$11.26	4,400	3,000
240	Lumber and wood products	23.81%	50.11%	\$12.84	3,500	2,200
295	Bakery products	23.79%	66.83%	\$11.45	4,000	2,300
230	Apparel and other textile products	23.18%	44.54%	\$8.01	18,100	14,000
227	Concrete, gypsum, and plaster products	22.74%	45.07%	\$12.33	2,200	1,500
330	Primary metal industries	22.62%	40.24%	\$11.33	14,900	10,000
220	Textile mill products	22.42%	44.18%	\$8.60	16,400	12,900
300	Rubber and miscellaneous plastics products	22.31%	45.49%	\$11.16	25,600	19,000
366	Communications equipment	21.96%	47.64%	\$18.89	20,600	11,900
308	Miscellaneous plastics products, n.e.c.	21.85%	43.34%	\$11.19	19,800	14,700
342	Cutlery, handtools, and hardware	21.76%	87.29%	\$12.22	6,600	5,000
233	Women's and misses' outerwear	21.59%	39.90%	\$6.63	6,000	4,900
272	Periodicals	21.44%	66.98%	\$11.00	4,400	600
364	Electric lighting and wiring equipment	21.15%	58.81%	\$11.93	3,900	2,700
229	Miscellaneous textile goods	20.97%	37.64%	\$8.95	3,700	2,800
231	Men's and boys' suits and coats	20.73%	44.06%	\$11.52	2,300	1,800
369	Miscellaneous electrical equipment & supplies	20.72%	31.82%	\$9.44	3,700	1,900

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg. 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

MICHIGAN

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
MICHIGAN MANUFACTURING TOTAL		21.49%	38.70%	\$15.12	858,200	545,800
Total Identified Meeting Criteria					330,400	239,500
279	Printing trade services	45.24%	228.33%	\$14.00	1,500	1,200
332	Iron and steel foundries	40.47%	89.39%	\$17.06	11,900	9,100
381	Search and navigation equipment	35.35%	108.32%	\$16.48	3,100	1,900
354	Metalworking machinery	34.38%	92.68%	\$14.73	48,700	33,800
339	Miscellaneous primary metal products	31.49%	91.86%	\$11.47	4,800	3,600
254	Partitions and fixtures	30.64%	61.63%	\$10.69	3,400	2,200
355	Special industry machinery	29.11%	58.91%	\$14.16	6,000	3,900
399	Miscellaneous manufactures	27.46%	61.97%	\$10.14	4,300	2,200
349	Miscellaneous fabricated metal products	27.21%	56.74%	\$11.09	15,800	11,600
350	Industrial machinery and equipment	26.97%	58.54%	\$14.07	112,500	75,900
252	Office furniture	26.92%	65.75%	\$13.82	19,000	12,600
359	Industrial machinery, n.e.c.	26.79%	60.92%	\$12.69	20,500	16,500
346	Metal forgings and stampings	26.60%	46.35%	\$17.18	48,300	39,200
273	Books	26.23%	69.43%	\$10.24	4,200	2,500
340	Fabricated metal products	25.77%	48.06%	\$14.08	103,300	81,800
353	Construction and related machinery	25.62%	49.98%	\$14.49	7,300	4,000
369	Miscellaneous electrical equipment & supplies	24.86%	46.31%	\$19.89	2,900	2,000
278	Blankbooks and bookbinding	24.59%	104.30%	\$11.00	1,300	1,000
356	General industrial machinery	24.29%	49.14%	\$13.28	12,400	7,500
243	Millwork, plywood, and structural members	23.91%	47.89%	\$9.17	4,900	3,900
251	Household furniture	23.86%	45.99%	\$7.83	5,200	4,200
250	Furniture and fixtures	23.79%	48.53%	\$12.26	31,700	22,200
242	Sawmills and planing mills	23.37%	42.26%	\$8.54	2,500	2,200
323	Products of purchased glass	23.20%	51.17%	\$12.77	3,900	3,000
336	Nonferrous foundries (castings)	23.19%	44.76%	\$11.22	5,800	4,600
275	Commercial printing	22.67%	49.65%	\$10.35	17,200	12,300
230	Apparel and other textile products	22.54%	40.32%	\$15.40	14,200	11,500
330	Primary metal industries	22.05%	35.81%	\$15.28	39,700	30,600
239	Miscellaneous fabricated textile products	21.97%	39.01%	\$16.78	12,500	10,100
384	Medical instruments and supplies	21.52%	56.38%	\$10.35	3,600	2,000
360	Electronic and other electric equipment	21.49%	42.89%	\$11.05	20,400	14,800
308	Miscellaneous plastics products, n.e.c.	21.21%	41.69%	\$9.25	42,800	32,900
274	Miscellaneous publishing	21.19%	86.24%	\$9.44	4,400	1,500
276	Manifold business forms	21.17%	42.10%	\$12.24	1,300	700
300	Rubber and miscellaneous plastics products	21.11%	42.04%	\$9.40	47,400	36,400
320	Stone, clay, and glass products	20.96%	44.35%	\$13.68	14,000	10,600
240	Lumber and wood products	20.48%	39.30%	\$8.59	14,800	12,000
358	Refrigeration and service machinery	20.42%	39.23%	\$11.01	6,500	4,100
327	Concrete, gypsum, and plaster products	20.36%	37.81%	\$12.41	4,400	3,200
390	Miscellaneous manufacturing industries	20.10%	44.73%	\$9.84	8,000	5,200

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 350...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

MINNESOTA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shoppers*	Materials*	Production Wage*	Total	Production
MINNESOTA MANUFACTURING TOTAL		22.03%	41.56%	\$11.51	384,500	218,200
Total Identified Meeting Criteria					167,900	103,300
279	Printing trade services	41.08%	220.00%	\$14.92	1,800	1,200
336	Nonferrous foundries (castings)	35.50%	101.52%	\$12.40	3,100	2,300
345	Screw machine products, bolts, etc.	34.79%	107.65%	\$9.14	1,500	1,200
359	Industrial machinery, n.e.c	32.94%	93.89%	\$11.48	8,900	6,400
252	Office furniture	32.66%	77.40%	\$13.20	1,000	700
327	Concrete, gypsum, and plaster products	30.51%	67.45%	\$12.73	4,400	3,100
254	Partitions and fixtures	30.32%	62.10%	\$14.11	2,400	1,700
367	Electronic components and accessories	30.22%	61.16%	\$9.10	14,700	10,300
342	Cutlery, handtools, and hardware	30.11%	63.60%	\$11.40	3,400	2,100
250	Furniture and fixtures	29.56%	72.65%	\$12.61	5,500	3,800
275	Commercial printing	28.61%	66.14%	\$8.87	23,600	16,500
380	Instruments and related products	28.49%	99.19%	\$13.05	28,300	14,600
332	Iron and steel foundries	28.40%	69.08%	\$11.50	1,400	1,000
346	Metal forgings and stampings	28.25%	58.73%	\$12.07	6,000	4,600
330	Primary metal industries	27.98%	62.29%	\$12.25	7,000	5,200
225	Knitting mills	27.76%	90.38%	\$5.00	1,000	700
344	Fabricated structural metal products	27.05%	52.08%	\$12.98	7,600	5,000
357	Computer and office equipment	26.79%	37.05%	\$12.44	21,000	5,400
340	Fabricated metal products	25.75%	57.07%	\$12.92	36,000	22,600
306	Fabricated rubber products, n.e.c	25.73%	61.53%	\$10.63	1,500	1,000
350	Industrial machinery and equipment	25.11%	44.69%	\$12.32	58,000	29,300
399	Miscellaneous manufactures	24.16%	77.15%	\$9.03	2,800	2,100
358	Refrigeration and service machinery	24.01%	48.11%	\$13.06	6,100	3,400
362	Electrical industrial apparatus	23.93%	45.94%	\$15.68	4,400	2,500
384	Medical instruments and supplies	23.89%	93.69%	\$11.52	11,200	6,200
300	Rubber and miscellaneous plastics products	23.39%	49.81%	\$10.00	15,400	11,000
349	Miscellaneous fabricated metal products	23.28%	48.75%	\$10.68	4,300	2,700
308	Miscellaneous plastics products, n.e.c.	22.98%	48.43%	\$9.99	13,000	9,300
360	Electronic and other electric equipment	22.66%	48.81%	\$10.34	30,000	20,200
356	General industrial machinery	22.53%	52.18%	\$13.97	7,100	4,300
251	Household furniture	22.51%	56.23%	\$8.80	1,000	800
273	Books	22.10%	52.33%	\$10.83	6,500	3,300
242	Sawmills and planing mills	21.76%	42.55%	\$8.28	1,500	1,300
353	Construction and related machinery	20.67%	34.63%	\$11.61	5,500	3,300
323	Products of purchased glass	20.43%	35.14%	\$9.81	1,200	900
320	Stone, clay, and glass products	20.26%	45.64%	\$13.98	11,000	7,800

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
MISSISSIPPI

MISSISSIPPI		LABOR PERCENT OF		HOURLY	EMPLOYMENT	
SIC CODE	INDUSTRY	Shipments*	Materials*	Production Wage*	Total	Production
MISSISSIPPI MANUFACTURING TOTAL		15.31%	28.16%	\$8.68	237,200	188,900
Total Identified Meeting Criteria					108,200	88,000
358	Refrigeration and service machinery	31.14%	46.72%	\$13.03	2,800	2,400
359	Industrial machinery, n.e.c.	29.45%	66.81%	\$11.63	3,100	1,900
353	Construction and related machinery	29.20%	46.33%	\$10.44	2,500	1,300
370	Transportation equipment	26.36%	49.11%	\$11.38	24,300	17,600
230	Apparel and other textile products	25.11%	62.48%	\$5.45	32,300	29,500
275	Commercial printing	24.78%	53.04%	\$10.10	3,100	2,400
259	Miscellaneous furniture and fixtures	23.58%	49.88%	\$5.74	1,700	1,300
349	Miscellaneous fabricated metal products	23.56%	40.70%	\$10.58	2,100	1,700
251	Household furniture	21.96%	39.12%	\$8.46	20,600	17,800
362	Electrical industrial apparatus	21.95%	39.75%	\$9.32	3,500	2,800
344	Fabricated structural metal products	21.53%	43.92%	\$9.39	6,300	4,600
327	Concrete, gypsum, and plaster products	21.32%	40.86%	\$7.89	2,100	1,600
249	Miscellaneous wood products	20.39%	38.53%	\$7.59	3,800	3,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

MISSOURI

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
MISSOURI MANUFACTURING TOTAL		16.92%	32.91%	\$11.33	401,400	255,600
Total Identified Meeting Criteria					123,500	88,600
233	Women's and misses' outerwear	75.84%	658.54%	\$7.00	2,200	1,900
279	Printing trade services	45.31%	166.67%	\$14.47	2,200	1,500
347	Metal services, n.e.c.	38.85%	124.80%	\$10.72	3,100	2,300
354	Metalworking machinery	34.97%	119.75%	\$14.64	5,200	4,100
359	Industrial machinery, n.e.c.	34.15%	80.74%	\$10.38	4,700	3,500
380	Instruments and related products	28.92%	78.29%	\$9.10	12,700	6,400
355	Special industry machinery	28.73%	60.93%	\$10.15	2,200	1,200
367	Electronic components and accessories	28.52%	74.83%	\$12.79	5,300	3,800
232	Men's and boys' furnishings	27.93%	77.28%	\$5.79	8,900	7,900
275	Commercial printing	27.85%	57.48%	\$11.21	11,600	8,800
243	Millwork, plywood, and structural members	27.78%	56.79%	\$8.80	2,400	1,800
382	Measuring and controlling devices	27.71%	84.85%	\$9.89	1,800	1,000
340	Fabricated metal products	27.37%	56.49%	\$11.61	37,600	26,000
272	Periodicals	27.30%	96.72%	\$8.58	2,500	600
384	Medical instruments and supplies	26.49%	63.14%	\$8.14	6,600	3,900
399	Miscellaneous manufactures	25.68%	54.80%	\$10.50	2,500	1,800
230	Apparel and other textile products	25.41%	60.47%	\$5.97	20,100	17,500
342	Cutlery, handtools, and hardware	25.22%	55.94%	\$10.77	3,000	2,400
390	Miscellaneous manufacturing industries	24.94%	53.15%	\$8.71	5,400	3,700
346	Metal forgings and stampings	24.82%	47.09%	\$8.98	2,900	2,300
350	Industrial machinery and equipment	24.79%	53.39%	\$11.23	29,700	21,000
244	Wood containers	24.46%	42.95%	\$6.74	2,100	1,700
344	Fabricated structural metal products	23.99%	43.43%	\$10.71	10,200	6,800
394	Toys and sporting goods	23.94%	55.65%	\$7.84	1,900	1,200
313	Footwear cut stock	23.87%	47.48%	\$6.84	1,400	1,100
327	Concrete, gypsum, and plaster products	23.80%	45.68%	\$10.56	4,900	3,800
240	Lumber and wood products	23.51%	40.66%	\$7.22	10,100	8,100
358	Refrigeration and service machinery	22.64%	44.73%	\$11.30	6,500	4,600
325	Structural clay products	22.53%	44.80%	\$15.40	1,300	1,000
356	General industrial machinery	22.33%	51.32%	\$10.48	4,800	3,200
306	Fabricated rubber products, n.e.c.	22.33%	38.47%	\$7.53	2,100	1,600
320	Stone, clay, and glass products	22.27%	49.77%	\$11.93	10,400	8,000
310	Leather and leather products	21.80%	41.76%	\$6.24	11,200	9,900
235	Hats, caps, and millinery	21.80%	99.65%	\$5.02	1,800	1,800
254	Partitions and fixtures	21.67%	45.44%	\$7.89	2,100	1,500
369	Miscellaneous electrical equipment & supplies	21.29%	52.91%	\$12.02	5,500	3,400
242	Sawmills and planing mills	21.19%	33.82%	\$7.27	3,200	2,600
239	Miscellaneous fabricated textile products	21.15%	34.78%	\$7.00	3,400	2,900
373	Ship and boat building and repairing	21.10%	33.58%	\$8.53	1,200	900
273	Books	21.01%	65.04%	\$9.88	4,000	1,700

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
MONTANA

MONTANA						
SIC	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
MONTANA MANUFACTURING TOTAL		12.72%	18.13%	\$11.62	19,800	14,300
Total Identified Meeting Criteria					8,500	6,800
344	Fabricated structural metal products	46.44%	232.65%	\$9.67	1,000	900
243	Millwork, plywood, and structural members	24.66%	32.32%	\$11.96	1,500	1,200
390	Miscellaneous manufacturing industries	19.08%	28.91%	\$6.33	1,100	900
242	Sawmills and planing mills	17.73%	22.18%	\$10.84	3,000	2,700
200	Food and kindred products	11.30%	19.50%	\$9.57	1,900	1,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

35

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NEBRASKA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NEBRASKA MANUFACTURING TOTAL		11.12%	17.30%	\$9.95	100,500	74,600
Total Identified Meeting Criteria					34,200	25,600
390	Miscellaneous manufacturing industries	28.97%	70.34%	\$6.47	1,100	800
205	Bakery products	27.29%	64.62%	\$9.80	1,600	800
300	Rubber and miscellaneous plastics products	26.84%	54.78%	\$11.03	5,800	4,700
275	Commercial printing	24.62%	47.17%	\$10.21	4,300	3,700
360	Electronic and other electric equipment	24.41%	74.59%	\$13.80	6,700	4,900
243	Millwork, plywood, and structural members	22.13%	37.00%	\$7.08	1,300	1,100
350	Industrial machinery and equipment	20.45%	44.10%	\$10.40	13,400	9,600

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

36

Vulnerable U.S. Industries and Jobs Under NAFTA NEVADA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NEVADA MANUFACTURING TOTAL		22.57%	48.11%	\$9.98	23,600	18,900
Total Identified Meeting Criteria					8,400	6,200
382	Measuring and controlling devices	37.64%	88.24%	\$8.30	2,000	1,000
340	Fabricated metal products	31.09%	60.32%	\$13.04	1,900	1,400
399	Miscellaneous manufactures	26.15%	49.11%	\$9.59	2,000	1,100
350	Industrial machinery and equipment	24.54%	58.45%	\$9.53	2,500	1,700

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

37

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA NEW HAMPSHIRE

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NEW HAMPSHIRE MANUFACTURING TOTAL		26.02%	61.51%	\$11.78	85,800	53,900
Total Identified Meeting Criteria					61,700	42,100
380	Instruments and related products	32.33%	93.00%	\$15.57	11,800	7,900
275	Commercial printing	30.08%	68.71%	\$9.66	2,100	1,600
300	Rubber and miscellaneous plastics products	26.06%	53.46%	\$10.00	7,600	5,800
340	Fabricated metal products	25.14%	62.32%	\$10.66	6,100	4,600
330	Primary metal industries	24.89%	55.55%	\$13.36	3,600	2,600
350	Industrial machinery and equipment	24.79%	56.14%	\$12.92	13,900	8,600
399	Miscellaneous manufactures	24.67%	65.42%	\$8.10	1,400	1,000
261	Pulp mills	24.04%	39.47%	\$14.70	1,300	1,000
320	Stone, clay, and glass products	23.45%	52.96%	\$11.70	2,000	1,300
220	Textile mill products	21.71%	43.59%	\$9.27	3,000	2,400
360	Electronic and other electric equipment	21.44%	56.72%	\$10.97	8,900	5,300

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

38

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NEW JERSEY

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NEW JERSEY MANUFACTURING TOTAL		23.77%	49.39%	\$12.01	590,900	312,800
Total Identified Meeting Criteria					259,200	173,800
336	Nonferrous foundries (castings)	44.58%	109.81%	\$8.76	1,600	1,300
279	Printing trade services	41.83%	200.63%	\$15.09	3,800	2,800
354	Metalworking machinery	39.34%	116.84%	\$14.78	5,300	3,700
323	Products of purchased glass	38.82%	196.54%	\$10.26	2,500	2,000
278	Blankbooks and bookbinding	38.39%	143.14%	\$9.71	4,600	3,700
359	Industrial machinery, n.e.c.	38.30%	106.17%	\$12.00	5,600	4,400
345	Screw machine products, bolts, etc.	35.01%	110.78%	\$12.70	3,000	2,200
381	Search and navigation equipment	34.89%	102.77%	\$19.11	16,700	9,300
326	Pottery and related products	33.09%	139.08%	\$10.71	3,300	2,400
254	Partitions and fixtures	31.92%	65.76%	\$14.74	2,300	1,600
275	Commercial printing	31.11%	73.32%	\$10.68	26,100	18,700
346	Metal forgings and stampings	30.43%	68.95%	\$11.19	5,000	3,900
369	Miscellaneous electrical equipment & supplies	30.01%	65.67%	\$9.96	3,700	2,400
380	Instruments and related products	29.77%	81.76%	\$15.53	41,000	21,200
367	Electronic components and accessories	29.61%	75.46%	\$9.15	10,900	7,400
382	Measuring and controlling devices	29.46%	77.23%	\$12.50	8,200	3,300
384	Medical instruments and supplies	28.30%	94.07%	\$13.36	11,100	5,500
252	Office furniture	27.97%	90.18%	\$9.39	1,300	900
362	Electrical industrial apparatus	27.97%	82.60%	\$10.18	2,300	1,500
356	General industrial machinery	27.57%	50.59%	\$11.88	8,200	4,300
250	Furniture and fixtures	27.25%	63.23%	\$10.28	8,500	5,800
226	Textile finishing, except wool	27.15%	67.28%	\$12.77	3,400	2,800
225	Knitting mills	26.31%	43.92%	\$10.48	3,600	3,000
355	Special industry machinery	26.26%	49.79%	\$13.75	8,300	4,300
276	Manifold business forms	26.24%	53.39%	\$14.58	1,400	900
350	Industrial machinery and equipment	26.08%	50.01%	\$12.86	37,600	23,700
347	Metal services, n.e.c.	26.02%	54.67%	\$10.43	2,600	2,200
239	Miscellaneous fabricated textile products	25.98%	48.87%	\$7.95	9,500	8,100
243	Millwork, plywood, and structural members	25.73%	43.24%	\$12.71	1,500	1,100
322	Glass and glassware, pressed or blown	25.52%	61.50%	\$13.19	6,800	5,600
240	Lumber and wood products	25.00%	43.27%	\$10.29	2,600	2,000
332	Iron and steel foundries	24.51%	53.43%	\$13.43	2,700	2,100
265	Paperboard containers and boxes	24.38%	44.14%	\$13.26	7,600	5,300
320	Stone, clay, and glass products	24.27%	58.78%	\$11.66	20,300	14,900
342	Cutlery, handtools, and hardware	24.08%	49.06%	\$12.80	4,400	3,600
340	Fabricated metal products	23.85%	48.11%	\$11.49	37,100	26,800
232	Men's and boys' furnishings	23.51%	45.48%	\$6.74	1,700	1,300
360	Electronic and other electric equipment	23.35%	49.87%	\$10.90	35,200	21,700
349	Miscellaneous fabricated metal products	23.26%	50.44%	\$11.20	9,200	5,600
366	Communications equipment	23.17%	48.78%	\$15.14	10,300	4,600
344	Fabricated structural metal products	23.17%	44.42%	\$10.63	8,800	6,200
399	Miscellaneous manufactures	23.05%	54.56%	\$9.61	7,000	4,600
361	Electric distribution equipment	22.69%	51.99%	\$10.00	1,900	1,300
306	Fabricated rubber products, n.e.c.	22.54%	56.97%	\$10.24	3,800	2,800
300	Rubber and miscellaneous plastics products	21.87%	42.67%	\$9.68	31,900	24,000

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NEW JERSEY

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
308	Miscellaneous plastics products, n.e.c.	21.32%	39.98%	\$9.55	26,300	19,900
260	Paper and allied products	20.98%	39.57%	\$12.60	20,300	14,000
238	Miscellaneous apparel and accessories	20.94%	43.99%	\$5.27	1,000	800
230	Apparel and other textile products	20.73%	41.90%	\$7.16	29,000	25,200
339	Miscellaneous primary metal products	20.39%	42.32%	\$12.35	1,300	900
329	Miscellaneous nonmetallic mineral products	20.37%	38.19%	\$12.76	1,500	1,000
272	Periodicals	20.36%	63.88%	\$11.62	3,900	700
390	Miscellaneous manufacturing industries	20.27%	41.63%	\$8.89	13,500	9,300
364	Electric lighting and wiring equipment	20.04%	44.41%	\$10.15	5,200	3,800

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC Industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

40

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NEW MEXICO

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NEW MEXICO MANUFACTURING TOTAL		11.54%	22.75%	\$10.27	40,700	27,300
Total Identified Meeting Criteria					12,800	9,300
359	Industrial machinery, n.e.c.	36.70%	119.80%	\$8.82	1,100	900
275	Commercial printing	35.53%	78.48%	\$7.57	1,400	1,000
280	Chemicals and allied products	27.13%	43.82%	\$10.79	1,300	800
391	Jewelry, silverware, and plated ware	26.76%	82.90%	\$9.30	2,300	1,700
380	Instruments and related products	24.52%	73.51%	\$14.77	4,700	3,400
327	Concrete, gypsum, and plaster products	20.40%	40.67%	\$9.90	2,000	1,500

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

41

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NEW YORK

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NEW YORK MANUFACTURING TOTAL		22.30%	51.16%	\$11.69	1,054,000	594,500
Total Identified Meeting Criteria					408,900	285,900
351	Engines and turbines	48.16%	83.14%	\$18.67	7,700	4,500
393	Musical instruments	40.03%	125.65%	\$9.44	1,300	900
359	Industrial machinery, n.e.c.	39.98%	114.06%	\$12.33	14,400	10,100
279	Printing trade services	39.84%	194.75%	\$13.39	6,600	4,700
347	Metal services, n.e.c.	36.11%	118.84%	\$9.88	5,100	4,200
323	Products of purchased glass	33.60%	100.00%	\$6.57	2,200	1,800
354	Metalworking machinery	33.51%	95.54%	\$11.77	13,600	8,800
252	Office furniture	32.96%	81.93%	\$9.54	3,200	2,200
381	Search and navigation equipment	32.73%	97.79%	\$20.97	25,900	10,000
254	Partitions and fixtures	31.43%	78.56%	\$11.29	5,700	4,300
382	Measuring and controlling devices	30.92%	70.56%	\$12.86	10,000	4,800
349	Miscellaneous fabricated metal products	29.27%	70.40%	\$11.23	8,900	6,500
275	Commercial printing	28.93%	69.09%	\$11.63	34,500	23,600
345	Screw machine products, bolts, etc.	28.67%	71.69%	\$10.47	5,500	4,100
355	Special industry machinery	28.61%	53.04%	\$16.37	8,000	4,600
243	Millwork, plywood, and structural members	28.53%	57.53%	\$9.34	5,600	4,400
367	Electronic components and accessories	28.50%	60.86%	\$10.28	50,100	25,300
250	Furniture and fixtures	28.19%	69.42%	\$9.25	20,700	15,600
399	Miscellaneous manufactures	27.95%	64.40%	\$7.77	13,200	9,800
344	Fabricated structural metal products	27.18%	53.03%	\$11.85	19,800	14,000
396	Costume jewelry and notions	27.13%	53.39%	\$7.15	2,700	2,200
346	Metal forgings and stampings	26.88%	52.72%	\$16.61	7,500	5,700
366	Communications equipment	26.73%	66.17%	\$11.06	11,900	4,900
251	Household furniture	26.13%	62.43%	\$8.17	8,400	6,400
340	Fabricated metal products	26.06%	53.74%	\$12.10	58,900	43,500
342	Cutlery, handtools, and hardware	25.98%	59.98%	\$11.38	7,600	6,000
360	Electronic and other electric equipment	25.96%	57.91%	\$11.03	99,300	55,100
358	Refrigeration and service machinery	25.82%	52.47%	\$16.81	13,500	10,100
249	Miscellaneous wood products	25.62%	40.78%	\$7.74	3,900	3,000
240	Lumber and wood products	25.46%	44.45%	\$8.83	13,700	10,500
244	Wood containers	25.20%	44.18%	\$6.91	1,500	1,200
311	Leather tanning and finishing	25.00%	37.45%	\$8.23	1,700	1,500
369	Miscellaneous electrical equipment & supplies	24.37%	69.95%	\$10.66	10,200	4,900
356	General industrial machinery	24.07%	51.35%	\$13.73	17,500	10,400
395	Pens, pencils, office, and art supplies	23.79%	62.15%	\$7.38	1,900	1,200
238	Miscellaneous apparel and accessories	23.74%	45.96%	\$6.37	5,500	4,500
350	Industrial machinery and equipment	23.50%	47.38%	\$13.96	100,000	59,100
320	Stone, clay, and glass products	22.84%	55.90%	\$11.91	20,200	14,700
300	Rubber and miscellaneous plastics products	22.67%	48.21%	\$9.42	33,200	25,700
362	Electrical industrial apparatus	22.64%	41.69%	\$13.35	11,200	8,500
348	Ordnance and accessories, n.e.c.	22.58%	80.38%	\$14.32	1,600	1,100
239	Miscellaneous fabricated textile products	22.55%	45.43%	\$7.70	14,400	11,600
322	Glass and glassware, pressed or blown	22.43%	57.86%	\$13.57	2,700	2,300
364	Electric lighting and wiring equipment	21.66%	54.95%	\$11.66	11,700	8,400
329	Miscellaneous nonmetallic mineral products	21.47%	50.78%	\$15.96	3,600	2,400

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NEW YORK

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
390	Miscellaneous manufacturing industries	21.44%	41.19%	\$9.06	34,800	25,000
316	Luggage	21.34%	54.21%	\$8.87	1,600	1,200
242	Sawmills and planing mills	21.21%	33.40%	\$10.18	2,000	1,400
314	Footwear, except rubber	21.07%	43.46%	\$6.40	2,300	1,900
225	Knitting mills	20.61%	41.21%	\$6.56	11,200	9,900
220	Textile mill products	20.54%	40.35%	\$7.42	17,100	14,500
270	Printing and publishing	20.38%	64.88%	\$12.52	146,600	56,600
205	Bakery products	20.29%	64.92%	\$11.72	11,500	6,600

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

43

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NORTH CAROLINA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NORTH CAROLINA MFGING TOTAL		15.92%	32.38%	\$9.29	901,900	590,000
Total Identified Meeting Criteria					224,900	180,000
399	Miscellaneous manufactures	28.62%	63.11%	\$7.89	4,400	3,200
382	Measuring and controlling devices	27.72%	70.90%	\$10.37	3,700	2,100
250	Furniture and fixtures	27.29%	54.81%	\$8.37	75,700	65,300
251	Household furniture	27.28%	54.24%	\$8.51	65,000	57,100
205	Bakery products	26.59%	62.66%	\$9.75	12,600	5,400
234	Women's and children's undergarments	26.44%	49.01%	\$5.61	6,600	5,600
355	Special industry machinery	26.11%	62.38%	\$10.65	6,800	4,600
364	Electric lighting and wiring equipment	23.57%	49.04%	\$10.18	5,700	4,400
233	Women's and misses' outerwear	22.68%	41.96%	\$4.96	10,400	8,600
232	Men's and boys' furnishings	22.53%	42.59%	\$7.64	18,600	16,100
275	Commercial printing	22.39%	44.51%	\$9.49	11,500	8,500
356	General industrial machinery	21.98%	43.59%	\$10.56	9,000	6,200
230	Apparel and other textile products	21.98%	43.79%	\$6.67	65,200	55,700
221	Broadwoven fabric mills, cotton	21.47%	33.89%	\$8.92	19,400	17,300
244	Wood containers	21.40%	33.55%	\$5.91	2,000	1,700
362	Electrical industrial apparatus	21.13%	48.20%	\$10.78	9,900	6,300
384	Medical instruments and supplies	20.72%	50.47%	\$9.28	6,700	5,000
322	Glass and glassware, pressed or blown	20.71%	51.47%	\$14.74	4,700	3,900
380	Instruments and related products	20.64%	53.01%	\$10.66	13,500	9,200
222	Broadwoven fabric mills, manmade fiber & silk	20.33%	33.94%	\$8.61	19,100	16,800
394	Toys and sporting goods	20.27%	30.57%	\$6.81	1,500	1,300
243	Millwork, plywood, and structural members	20.06%	35.44%	\$7.56	7,300	5,900

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

44

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
NORTH DAKOTA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
NORTH DAKOTA MANUFACTURING TOTAL		12.58%	20.13%	\$9.34	17,200	11,500
Total Identified Meeting Criteria					N/A	N/A

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
OHIO

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY Production Wage*	EMPLOYMENT	
		Shipments*	Materials*		Total	Production
OHIO MANUFACTURING TOTAL		18.92%	34.82%	\$13.31	1,045,400	678,800
Total Identified Meeting Criteria					458,600	323,900
348	Ordnance and accessories, n.e.c.	46.52%	237.41%	\$10.83	3,400	1,400
332	Iron and steel foundries	35.97%	61.66%	\$16.16	17,000	14,300
359	Industrial machinery, n.e.c.	35.58%	96.06%	\$11.50	22,700	17,600
354	Metalworking machinery	31.95%	90.84%	\$14.06	41,400	28,700
326	Pottery and related products	30.58%	71.92%	\$10.53	4,600	3,800
362	Measuring and controlling devices	29.34%	91.27%	\$9.36	14,700	7,300
254	Partitions and fixtures	27.76%	60.21%	\$8.30	3,900	2,800
345	Screw machine products, bolts, etc.	27.59%	64.39%	\$9.89	10,300	6,000
273	Commercial printing	27.11%	63.75%	\$10.71	28,800	19,500
273	Books	26.61%	107.36%	\$14.31	5,800	3,800
399	Miscellaneous manufactures	26.50%	65.40%	\$9.33	6,100	5,700
301	Tires and inner tubes	26.50%	45.06%	\$16.87	4,000	2,700
350	Industrial machinery and equipment	26.29%	58.15%	\$13.47	142,200	95,800
346	Metal forgings and stampings	26.12%	46.15%	\$16.71	39,900	32,400
380	Instruments and related products	25.26%	76.08%	\$9.62	27,100	14,900
338	Nonferrous foundries (castings)	25.16%	56.55%	\$11.65	9,800	7,300
322	Glass and glassware, pressed or blown	24.89%	61.06%	\$13.83	7,300	6,100
362	Electrical industrial apparatus	24.62%	75.05%	\$12.44	10,800	6,100
325	Structural clay products	24.41%	49.67%	\$10.13	4,400	3,500
356	General industrial machinery	24.04%	53.66%	\$14.36	25,800	16,200
342	Cutlery, handtools, and hardware	23.65%	53.74%	\$12.16	10,800	7,700
355	Special industry machinery	23.46%	48.63%	\$13.36	14,500	6,000
306	Fabricated rubber products, n.e.c.	23.46%	42.61%	\$11.62	16,700	12,700
369	Miscellaneous electrical equipment & supplies	23.22%	65.65%	\$11.56	7,400	4,600
361	Electric distribution equipment	23.21%	52.16%	\$12.86	3,200	2,200
353	Construction and related machinery	23.06%	43.60%	\$12.27	12,000	7,400
340	Fabricated metal products	22.92%	42.42%	\$12.96	132,800	96,900
320	Stone, clay, and glass products	22.50%	52.50%	\$11.69	38,800	30,300
351	Engines and turbines	22.43%	43.63%	\$16.14	3,000	2,200
344	Fabricated structural metal products	22.29%	41.01%	\$11.89	25,700	16,200
230	Apparel and other textile products	22.26%	46.17%	\$7.94	13,800	11,000
239	Miscellaneous fabricated textile products	22.05%	43.17%	\$8.41	7,300	5,900
349	Miscellaneous fabricated metal products	22.04%	42.38%	\$10.90	23,000	15,900
327	Concrete, gypsum, and plaster products	21.90%	41.75%	\$10.62	7,800	5,600
356	Refrigeration and service machinery	21.61%	43.60%	\$15.49	15,700	11,100
250	Furniture and fixtures	21.52%	45.36%	\$9.16	14,800	11,300
243	Millwork, plywood, and structural members	21.29%	36.13%	\$9.03	6,400	6,700
249	Miscellaneous wood products	21.26%	38.67%	\$8.21	5,500	4,200
390	Miscellaneous manufacturing industries	21.14%	46.40%	\$9.27	15,400	11,000
272	Periodicals	21.09%	72.25%	\$11.42	3,500	1,000
251	Household furniture	21.00%	43.35%	\$9.74	6,500	5,300
259	Miscellaneous furniture and fixtures	20.67%	41.96%	\$7.64	2,100	1,500
300	Rubber and miscellaneous plastics products	20.66%	37.99%	\$10.31	79,800	61,400
329	Miscellaneous nonmetallic mineral products	20.45%	49.05%	\$13.02	8,100	6,200
240	Lumber and wood products	20.31%	34.63%	\$8.80	20,300	16,200
347	Metal services, n.e.c.	20.16%	35.69%	\$10.11	11,700	9,400
274	Miscellaneous publishing	20.10%	60.95%	\$6.26	3,000	1,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (e.g. 250, 340...) are omitted from totals. Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
OKLAHOMA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
OKLAHOMA MANUFACTURING TOTAL		16.32%	26.39%	\$11.54	188,600	110,000
Total Identified Meeting Criteria					70,500	51,200
372	Aircraft and parts	36.48%	106.06%	\$17.00	7,100	4,300
359	Industrial machinery, n.e.c.	33.35%	91.06%	\$8.95	3,700	2,900
332	Iron and steel foundries	32.81%	66.40%	\$9.95	1,500	1,200
367	Electronic components and accessories	28.63%	65.50%	\$9.26	2,200	1,700
347	Metal services, n.e.c.	27.66%	66.67%	\$9.33	1,100	900
250	Furniture and fixtures	26.57%	55.82%	\$8.30	1,900	1,500
349	Miscellaneous fabricated metal products	26.04%	56.50%	\$10.64	5,200	3,700
382	Measuring and controlling devices	25.72%	52.40%	\$12.00	1,700	900
275	Commercial printing	24.33%	39.25%	\$9.55	4,600	3,700
356	General industrial machinery	22.73%	48.41%	\$11.79	5,200	2,800
344	Fabricated structural metal products	22.38%	45.00%	\$10.61	7,600	5,300
355	Special industry machinery	22.27%	58.19%	\$21.57	1,200	1,100
353	Construction and related machinery	21.31%	45.46%	\$12.57	8,200	5,200
230	Apparel and other textile products	20.89%	40.96%	\$5.49	7,800	6,900
320	Stone, clay, and glass products	20.69%	46.47%	\$12.15	9,400	7,800
205	Bakery products	20.62%	46.98%	\$11.33	2,100	1,300

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional Industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

OREGON

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shoppers*	Materials*	Production Wage*	Total	Production
OREGON MANUFACTURING TOTAL		18.38%	32.52%	\$11.49	208,400	145,000
Total Identified Meeting Criteria					75,900	47,800
332	Iron and steel foundries	36.86%	139.47%	\$12.81	4,100	3,000
354	Metalworking machinery	36.77%	133.62%	\$12.53	1,200	700
347	Metal services, n.e.c.	32.44%	84.28%	\$9.18	1,100	900
356	General industrial machinery	31.45%	70.15%	\$15.05	1,600	1,000
335	Nonferrous rolling and drawing	30.67%	63.51%	\$17.67	2,400	1,500
359	Industrial machinery, n.e.c.	30.07%	70.17%	\$10.34	3,400	2,000
336	Nonferrous foundries (castings)	29.19%	89.29%	\$8.70	1,600	1,200
373	Ship and boat building and repairing	29.15%	62.84%	\$14.92	1,600	1,500
230	Apparel and other textile products	28.62%	43.93%	\$7.89	3,200	2,500
349	Miscellaneous fabricated metal products	28.57%	58.70%	\$12.86	1,600	1,100
382	Measuring and controlling devices	28.52%	106.18%	\$11.30	8,000	3,200
399	Miscellaneous manufactures	28.46%	55.42%	\$7.12	1,300	900
278	Blankbooks and bookbinding	28.23%	80.92%	\$10.53	1,200	1,000
355	Special industry machinery	26.40%	53.37%	\$13.15	2,200	1,200
342	Cutlery, handtools, and hardware	25.97%	58.63%	\$9.42	1,600	1,000
380	Instruments and related products	25.77%	79.35%	\$12.06	12,800	5,700
340	Fabricated metal products	25.38%	52.12%	\$10.74	10,400	7,400
344	Fabricated structural metal products	25.34%	49.06%	\$10.44	4,500	3,200
244	Wood containers	24.69%	44.87%	\$7.79	1,300	1,200
275	Commercial printing	24.35%	52.06%	\$11.22	6,000	4,100
350	Industrial machinery and equipment	23.57%	45.28%	\$11.33	17,700	9,200
239	Miscellaneous fabricated textile products	23.20%	40.35%	\$10.62	1,400	1,100
250	Furniture and fixtures	22.70%	49.17%	\$8.18	3,300	2,600
384	Medical instruments and supplies	22.53%	49.97%	\$14.23	2,400	1,200
205	Bakery products	22.28%	48.22%	\$14.69	3,100	1,900
369	Miscellaneous electrical equipment & supplies	22.14%	57.33%	\$18.22	1,000	600
327	Concrete, gypsum, and plaster products	21.85%	46.18%	\$11.97	2,100	1,500
330	Primary metal industries	21.61%	44.23%	\$13.99	12,200	8,700
251	Household furniture	21.51%	44.84%	\$8.43	2,200	1,800
390	Miscellaneous manufacturing industries	21.35%	48.74%	\$8.41	4,000	2,800
308	Miscellaneous plastics products, n.e.c.	20.95%	38.29%	\$9.75	4,600	3,200
320	Stone, clay, and glass products	20.88%	47.21%	\$11.63	3,400	2,500
370	Transportation equipment	20.36%	28.95%	\$14.03	9,300	7,600
357	Computer and office equipment	20.34%	32.87%	\$10.02	5,400	2,000
367	Electronic components and accessories	20.03%	49.34%	\$10.41	9,000	5,800

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
PENNSYLVANIA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
PENNSYLVANIA MANUFACTURING TOTAL		20.67%	40.51%	\$11.64	962,000	616,700
Total Identified Meeting Criteria					485,800	349,500
279	Printing trade services	43.47%	312.03%	\$10.46	6,300	4,800
348	Ordinance and accessories, n.e.c.	39.28%	118.53%	\$11.67	3,400	2,500
359	Industrial machinery, n.e.c.	37.48%	120.77%	\$11.32	17,000	13,000
354	Metalworking machinery	33.84%	101.44%	\$13.55	15,800	11,100
224	Narrow fabric mills	33.33%	110.18%	\$8.46	1,600	1,300
336	Nonferrous foundries (castings)	31.76%	65.18%	\$12.85	4,000	3,200
326	Pottery and related products	31.68%	139.79%	\$10.71	3,100	2,700
235	Hats, caps, and millinery	31.47%	67.35%	\$8.05	1,300	1,100
232	Men's and boys' furnishings	31.02%	67.44%	\$6.70	10,700	9,700
332	Iron and steel foundries	30.71%	73.55%	\$11.05	9,100	7,400
231	Men's and boys' suits and coats	30.07%	83.39%	\$8.58	9,800	8,200
278	Blankbooks and bookbinding	29.66%	119.97%	\$10.10	3,900	2,600
275	Commercial printing	28.38%	68.05%	\$11.10	31,200	22,400
342	Cutlery, handtools, and hardware	27.57%	76.37%	\$9.89	5,700	4,300
325	Structural clay products	27.30%	63.28%	\$11.67	3,000	2,300
238	Miscellaneous apparel and accessories	27.24%	57.71%	\$6.73	3,300	2,800
350	Industrial machinery and equipment	27.07%	64.41%	\$13.17	87,600	57,800
355	Special industry machinery	26.93%	53.43%	\$14.36	8,400	4,500
381	Search and navigation equipment	26.87%	57.87%	\$10.59	2,400	1,100
346	Metal forgings and stampings	26.72%	53.51%	\$13.73	12,700	9,800
362	Electrical industrial apparatus	26.32%	63.43%	\$12.01	10,600	6,700
382	Measuring and controlling devices	26.29%	68.31%	\$12.10	19,300	11,200
357	Computer and office equipment	26.21%	67.23%	\$13.28	3,300	1,500
351	Engines and turbines	25.63%	46.37%	\$14.35	1,300	800
339	Miscellaneous primary metal products	25.43%	48.12%	\$11.29	2,800	1,900
349	Miscellaneous fabricated metal products	25.36%	56.80%	\$11.11	22,500	15,600
254	Partitions and fixtures	25.25%	57.60%	\$9.00	3,700	2,500
227	Carpets and rugs	25.23%	31.81%	\$9.89	2,200	1,600
252	Office furniture	25.21%	47.17%	\$12.82	4,100	2,600
228	Yarn and thread mills	25.18%	41.22%	\$6.59	1,700	1,500
361	Electric distribution equipment	25.08%	56.09%	\$11.60	3,600	2,600
393	Musical instruments	25.03%	63.66%	\$10.20	1,200	800
366	Communications equipment	24.96%	51.53%	\$10.00	8,300	4,300
345	Screw machine products, bolts, etc.	24.72%	57.23%	\$12.03	5,600	4,100
230	Apparel and other textile products	24.48%	49.83%	\$6.79	69,100	58,600
356	General industrial machinery	24.42%	59.46%	\$13.32	17,500	11,000
236	Girls' and children's outerwear	24.37%	48.13%	\$6.36	5,000	4,100
353	Construction and related machinery	24.11%	46.81%	\$15.22	13,800	9,000
306	Fabricated rubber products, n.e.c.	24.01%	58.20%	\$13.49	3,500	2,300
380	Instruments and related products	23.80%	62.93%	\$11.68	35,300	20,100
314	Footwear, except rubber	23.65%	62.50%	\$7.48	2,800	2,700
340	Fabricated metal products	23.63%	47.11%	\$11.69	86,600	62,000
233	Women's and misses' outerwear	23.62%	45.81%	\$6.00	28,300	23,600
322	Glass and glassware, pressed or blown	23.60%	58.76%	\$13.59	9,000	7,700
250	Furniture and fixtures	23.58%	47.44%	\$8.79	19,000	14,100

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
PENNSYLVANIA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
384	Medical instruments and supplies	23.44%	66.25%	\$11.52	11,200	6,900
251	Household furniture	23.09%	47.78%	\$7.63	7,900	6,500
379	Miscellaneous transportation equipment	22.99%	47.39%	\$13.82	4,000	2,600
243	Millwork, plywood, and structural members	22.82%	44.02%	\$9.97	8,400	6,800
344	Fabricated structural metal products	22.07%	39.20%	\$11.46	26,200	18,100
327	Concrete, gypsum, and plaster products	21.92%	43.17%	\$10.95	8,500	5,500
301	Tires and inner tubes	21.91%	54.03%	\$10.19	1,000	700
360	Electronic and other electric equipment	21.63%	50.78%	\$11.10	70,700	48,400
367	Electronic components and accessories	21.29%	55.12%	\$11.41	25,700	17,500
320	Stone, clay, and glass products	21.24%	47.17%	\$12.42	37,100	28,600
347	Metal services, n.e.c.	21.16%	38.50%	\$10.69	4,900	3,500
259	Miscellaneous furniture and fixtures	21.07%	38.68%	\$8.48	2,100	1,500
220	Textile mill products	20.89%	38.09%	\$8.23	20,400	16,600
329	Miscellaneous nonmetallic mineral products	20.86%	46.49%	\$13.29	6,000	4,400
300	Rubber and miscellaneous plastics products	20.79%	39.98%	\$10.16	39,700	30,100
374	Railroad equipment	20.73%	42.79%	\$14.11	9,700	7,300
358	Refrigeration and service machinery	20.68%	49.65%	\$12.14	8,400	5,100
308	Miscellaneous plastics products, n.e.c.	20.34%	37.60%	\$10.01	33,100	25,700
245	Wood buildings and mobile homes	20.14%	32.95%	\$9.73	5,900	4,500

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
RHODE ISLAND

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
RHODE ISLAND MANUFACTURING TOTAL		24.07%	52.17%	\$9.49	94,600	62,600
Total Identified Meeting Criteria					46,200	32,500
354	Metalworking machinery	37.90%	108.01%	\$12.97	2,400	1,600
345	Screw machine products, bolts, etc.	33.97%	64.50%	\$7.76	2,400	1,800
347	Metal services, n.e.c.	32.72%	102.78%	\$7.46	2,900	2,300
226	Textile finishing, except wool	30.54%	81.92%	\$9.30	1,200	900
382	Measuring and controlling devices	29.51%	75.39%	\$11.05	2,300	1,200
275	Commercial printing	28.74%	61.61%	\$10.13	1,900	1,500
308	Miscellaneous plastics products, n.e.c.	28.70%	64.00%	\$9.63	4,000	3,100
300	Rubber and miscellaneous plastics products	28.41%	62.79%	\$9.82	4,700	3,400
380	Instruments and related products	28.39%	78.43%	\$11.96	7,700	4,100
340	Fabricated metal products	28.32%	63.99%	\$9.61	14,000	10,200
344	Fabricated structural metal products	28.12%	59.98%	\$12.66	5,600	3,800
384	Medical instruments and supplies	25.97%	50.69%	\$9.94	2,600	1,800
399	Miscellaneous manufactures	25.70%	58.11%	\$6.29	4,100	3,300
265	Paperboard containers and boxes	24.40%	51.68%	\$10.73	1,500	1,200
396	Costume jewelry and notions	24.30%	62.83%	\$7.13	11,400	7,500
350	Industrial machinery and equipment	23.58%	73.97%	\$12.19	3,900	2,600
390	Miscellaneous manufacturing industries	22.28%	49.85%	\$7.76	25,800	18,600
320	Stone, clay, and glass products	21.24%	50.51%	\$12.50	1,300	900
349	Miscellaneous fabricated metal products	21.23%	54.76%	\$6.90	1,700	1,200
260	Paper and allied products	20.74%	42.27%	\$11.21	2,400	1,800
220	Textile mill products	20.49%	40.31%	\$7.31	4,800	4,100
367	Electronic components and accessories	20.23%	38.43%	\$8.40	2,200	1,300

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
SOUTH CAROLINA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Productive
SOUTH CAROLINA MFGING TOTAL		17.57%	33.18%	\$9.80	352,600	265,300
Total Identified Meeting Criteria					90,800	70,700
372	Aircraft and parts	42.93%	173.68%	\$12.54	2,000	1,400
233	Women's and misses' outerwear	34.73%	85.84%	\$5.24	12,800	11,000
367	Electronic components and accessories	31.92%	75.45%	\$9.15	8,600	6,000
355	Special industry machinery	30.26%	57.96%	\$11.10	4,900	3,300
359	Industrial machinery, n.e.c.	28.81%	67.82%	\$10.22	2,500	1,800
399	Miscellaneous manufactures	27.12%	45.51%	\$6.90	2,500	1,800
342	Cutlery, handtools, and hardware	27.05%	80.13%	\$9.44	2,900	2,200
275	Commercial printing	26.74%	58.48%	\$8.89	5,700	4,100
236	Girls' and children's outerwear	26.29%	55.95%	\$4.88	3,600	3,100
238	Miscellaneous apparel and accessories	26.25%	64.16%	\$5.92	1,700	1,400
251	Household furniture	24.92%	50.05%	\$6.62	3,000	2,700
354	Metalworking machinery	24.87%	55.54%	\$9.94	6,200	4,200
362	Electrical industrial apparatus	24.85%	50.98%	\$10.73	3,200	2,000
205	Bakery products	24.81%	45.72%	\$9.76	1,900	1,200
254	Partitions and fixtures	23.68%	50.31%	\$9.25	1,100	700
250	Furniture and fixtures	23.72%	49.02%	\$7.18	4,100	3,500
360	Electronic and other electric equipment	22.59%	47.14%	\$9.59	21,600	15,800
221	Broadwoven fabric mills, cotton	22.34%	39.08%	\$8.20	13,700	12,700
353	Construction and related machinery	21.45%	32.15%	\$12.93	1,300	700
390	Miscellaneous manufacturing industries	21.43%	38.41%	\$8.26	4,700	3,600
327	Concrete, gypsum, and plaster products	21.16%	38.80%	\$8.88	2,800	2,000
320	Stone, clay, and glass products	20.85%	47.02%	\$11.01	9,700	7,600
380	Instruments and related products	20.70%	44.37%	\$9.94	4,100	3,000
384	Medical instruments and supplies	20.34%	40.38%	\$10.11	2,400	1,800
356	General industrial machinery	20.20%	54.92%	\$11.26	8,000	6,600
230	Apparel and other textile products	20.13%	37.98%	\$5.95	35,900	31,400

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg. 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
SOUTH DAKOTA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
SOUTH DAKOTA MANUFACTURING TOTAL		13.24%	21.08%	\$8.55	30,300	22,400
Total Identified Meeting Criteria					8,500	6,000
275	Commercial printing	28.32%	73.37%	\$8.67	1,200	800
390	Miscellaneous manufacturing industries	22.51%	49.24%	\$6.76	2,100	1,600
350	Industrial machinery and equipment	20.70%	44.78%	\$8.96	5,200	3,600

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
TENNESSEE

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
TENNESSEE MANUFACTURING TOTAL		16.84%	31.97%	\$10.00	493,000	358,200
Total Identified Meeting Criteria					218,400	172,100
279	Printing trade services	41.96%	212.88%	\$12.59	1,200	900
348	Ordinance and accessones, n.e.c.	34.82%	124.81%	\$12.32	2,400	1,900
278	Blankbooks and bookbinding	33.85%	120.07%	\$10.57	1,200	900
359	Industrial machinery, n.e.c.	33.70%	90.41%	\$13.00	6,100	4,400
382	Measuring and controlling devices	31.85%	97.53%	\$9.54	2,800	2,000
354	Metalworking machinery	31.16%	91.13%	\$10.32	4,600	3,700
221	Broadwoven fabric mills, cotton	30.43%	85.61%	\$9.29	1,600	1,400
273	Books	29.82%	106.06%	\$12.89	7,700	2,900
244	Wood containers	28.37%	55.45%	\$6.19	1,300	1,100
325	Structural clay products	26.78%	70.72%	\$10.67	1,100	900
236	Girls' and children s outerwear	26.45%	93.91%	\$5.76	5,900	4,900
367	Electronic components and accessories	26.44%	43.80%	\$8.91	3,100	2,400
275	Commercial printing	25.47%	59.86%	\$9.22	15,500	12,100
251	Household furniture	24.22%	50.66%	\$7.20	18,100	15,300
347	Metal services, n.e.c.	24.00%	58.81%	\$7.36	2,300	2,100
233	Women's and misses' outerwear	23.69%	53.68%	\$5.82	13,300	11,700
243	Millwork, plywood, and structural members	23.32%	46.23%	\$5.70	3,300	2,800
232	Men's and boys' furnishings	23.19%	63.94%	\$6.47	22,700	20,200
336	Nonferrous foundries (castings)	23.14%	48.78%	\$9.73	2,000	1,700
254	Partitions and fixtures	23.10%	43.93%	\$8.11	1,200	1,000
242	Sawmills and planing mills	23.01%	37.99%	\$7.05	7,000	6,000
346	Metal forgings and stampings	22.84%	37.75%	\$10.10	4,500	3,800
356	General industrial machinery	22.69%	48.02%	\$12.64	4,600	3,300
230	Apparel and other textile products	22.55%	53.76%	\$6.24	52,000	44,900
310	Leather and leather products	22.42%	50.87%	\$6.43	7,900	6,500
340	Fabricated metal products	22.20%	43.76%	\$9.82	36,100	28,000
344	Fabricated structural metal products	22.02%	41.88%	\$10.01	11,500	8,300
364	Electric lighting and wiring equipment	21.60%	46.04%	\$9.75	3,400	2,700
342	Cutlery, handtools, and hardware	21.55%	43.65%	\$9.67	6,100	5,000
240	Lumber and wood products	21.53%	36.78%	\$6.65	15,900	13,500
349	Miscellaneous fabricated metal products	21.38%	42.63%	\$9.69	7,100	5,300
394	Toys and sporting goods	21.32%	42.91%	\$8.03	2,200	1,600
353	Construction and related machinery	21.26%	29.91%	\$10.89	2,700	1,600
301	Tires and inner tubes	21.22%	46.90%	\$18.04	5,900	4,700
320	Stone, clay, and glass products	21.15%	43.99%	\$11.75	11,200	8,800
250	Furniture and fixtures	21.14%	41.69%	\$7.44	23,500	19,600
314	Footwear, except rubber	20.96%	49.40%	\$6.48	5,900	4,900
399	Miscellaneous manufactures	20.88%	42.24%	\$7.96	5,600	3,900
282	Plastics materials and synthetics	20.78%	33.82%	\$15.16	13,700	9,400
225	Knitting mills	20.45%	33.71%	\$6.19	10,500	9,200
355	Special industry machinery	20.35%	40.53%	\$10.41	2,700	1,800
362	Electrical industrial apparatus	20.35%	38.16%	\$10.58	6,400	5,400
329	Miscellaneous nonmetallic mineral products	20.20%	51.72%	\$11.21	1,200	900

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
TEXAS

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
TEXAS MANUFACTURING TOTAL		13.58%	22.11%	\$11.43	922,700	562,300
Total Identified Meeting Criteria					371,500	226,200
231	Men's and boys' suits and coats	54.02%	292.59%	\$6.88	2,500	2,400
279	Printing trade services	40.06%	153.41%	\$11.90	3,300	2,500
359	Industrial machinery, n.e.c.	37.07%	105.34%	\$11.02	13,300	10,300
381	Search and navigation equipment	35.96%	150.32%	\$14.25	23,300	8,400
354	Metalworking machinery	31.47%	90.99%	\$12.55	5,000	3,600
372	Aircraft and parts	30.86%	81.18%	\$17.35	55,800	29,100
235	Hats, caps, and millinery	28.92%	52.40%	\$5.43	1,400	1,200
355	Special industry machinery	28.01%	55.22%	\$11.07	3,700	2,200
274	Miscellaneous publishing	26.27%	84.88%	\$10.36	1,800	700
254	Partitions and fixtures	26.12%	57.64%	\$6.67	2,200	1,600
380	Instruments and related products	25.62%	73.82%	\$11.20	50,700	25,700
347	Metal services, n.e.c.	25.52%	64.11%	\$8.94	5,600	4,400
275	Commercial printing	25.41%	57.00%	\$10.37	23,700	17,200
356	General industrial machinery	24.45%	50.93%	\$10.70	11,700	6,900
252	Office furniture	24.14%	55.09%	\$8.15	2,200	1,700
259	Miscellaneous furniture and fixtures	23.74%	60.36%	\$7.37	2,400	1,800
370	Transportation equipment	23.55%	49.20%	\$15.86	79,600	43,600
234	Women's and children's undergarments	23.36%	77.61%	\$6.30	3,000	2,600
272	Periodicals	23.18%	68.44%	\$10.33	2,900	800
344	Fabricated structural metal products	23.12%	40.36%	\$9.22	27,800	20,300
253	Public building and related furniture	22.99%	40.83%	\$7.43	1,900	1,400
399	Miscellaneous manufactures	22.88%	44.12%	\$9.03	5,800	4,100
346	Metal forgings and stampings	22.60%	43.13%	\$12.65	5,100	3,800
283	Drugs	22.40%	103.12%	\$14.59	5,600	3,000
345	Screw machine products, bolts, etc.	22.36%	34.10%	\$8.82	2,100	1,600
353	Construction and related machinery	22.26%	47.15%	\$13.05	26,600	15,100
205	Bakery products	22.16%	57.02%	\$10.80	10,800	6,000
340	Fabricated metal products	22.11%	41.37%	\$10.23	70,500	51,300
319	Leather goods, n.e.c.	22.10%	45.45%	\$5.65	1,200	1,000
233	Women's and misses' outerwear	22.07%	50.49%	\$5.90	15,500	13,000
390	Miscellaneous manufacturing industries	21.71%	46.46%	\$8.21	11,500	8,400
322	Glass and glassware, pressed or blown	21.44%	56.16%	\$14.35	3,100	2,600
366	Communications equipment	21.23%	57.89%	\$12.12	19,200	10,000
349	Miscellaneous fabricated metal products	21.19%	43.31%	\$10.63	18,100	12,700
250	Furniture and fixtures	21.17%	42.06%	\$7.49	14,900	11,400
273	Books	21.02%	74.98%	\$10.89	3,600	1,900
367	Electronic components and accessories	20.94%	52.23%	\$10.93	51,500	24,400
244	Wood containers	20.89%	37.50%	\$5.55	2,000	1,700
236	Girls' and children's outerwear	20.82%	38.24%	\$5.47	1,100	900
325	Structural clay products	20.73%	69.31%	\$6.58	3,400	2,700
394	Toys and sporting goods	20.25%	39.97%	\$7.24	3,300	2,600
360	Electronic and other electric equipment	20.07%	46.48%	\$10.93	85,400	44,700

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
UTAH

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
UTAH MANUFACTURING TOTAL		17.88%	33.21%	\$9.96	101,800	63,600
Total Identified Meeting Criteria					36,300	22,800
232	Men's and boys' furnishings	70.63%	505.00%	\$6.07	1,100	900
359	Industrial machinery, n.e.c.	35.89%	110.67%	\$8.88	1,600	1,200
233	Women's and misses' outerwear	34.56%	81.88%	\$5.50	1,100	800
367	Electronic components and accessories	31.95%	70.25%	\$8.88	4,100	2,400
230	Apparel and other textile products	31.74%	68.40%	\$6.06	4,500	3,700
360	Electronic and other electric equipment	28.67%	60.41%	\$8.84	6,400	3,600
275	Commercial printing	28.17%	62.12%	\$7.82	2,900	2,200
357	Computer and office equipment	27.67%	90.98%	\$8.58	2,400	600
274	Miscellaneous publishing	27.43%	60.32%	\$5.86	3,600	700
399	Miscellaneous manufactures	27.26%	78.07%	\$7.73	1,100	800
372	Aircraft and parts	27.01%	104.77%	\$16.71	1,200	800
350	Industrial machinery and equipment	26.92%	68.99%	\$9.58	7,200	3,800
300	Rubber and miscellaneous plastics products	26.54%	83.64%	\$8.61	1,900	1,400
349	Miscellaneous fabricated metal products	26.42%	71.43%	\$9.33	1,400	1,000
250	Furniture and fixtures	25.66%	62.86%	\$7.92	3,100	2,600
370	Transportation equipment	23.89%	52.69%	\$14.26	16,300	7,600
243	Millwork, plywood, and structural members	23.82%	46.49%	\$6.72	2,000	1,600
251	Household furniture	23.09%	54.07%	\$8.46	1,400	1,300
340	Fabricated metal products	22.25%	43.39%	\$10.57	6,800	4,900
308	Miscellaneous plastics products, n.e.c.	22.20%	50.63%	\$8.19	1,100	800
366	Communications equipment	22.04%	40.50%	\$8.75	1,100	500
380	Instruments and related products	21.91%	62.00%	\$10.12	7,800	4,700
344	Fabricated structural metal products	21.76%	39.83%	\$11.93	4,200	3,100
240	Lumber and wood products	20.56%	41.67%	\$5.45	3,600	2,900
384	Medical instruments and supplies	20.17%	51.65%	\$9.24	4,500	3,000
205	Bakery products	20.04%	47.27%	\$11.42	1,500	1,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
VERMONT

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
VERMONT MANUFACTURING TOTAL		21.28%	48.80%	\$10.96	42,800	28,200
Total Identified Meeting Criteria					28,100	18,400
250	Furniture and fixtures	39.62%	129.25%	\$10.48	1,900	1,600
370	Transportation equipment	33.70%	111.90%	\$12.52	2,900	2,400
275	Commercial printing	32.74%	83.33%	\$8.42	1,900	1,500
350	Industrial machinery and equipment	32.69%	74.72%	\$11.93	4,100	2,600
230	Apparel and other textile products	25.46%	53.21%	\$5.93	1,000	800
242	Sawmills and planing mills	25.16%	57.62%	\$9.38	1,000	800
320	Stone, clay, and glass products	24.15%	63.07%	\$9.74	2,200	1,600
340	Fabricated metal products	22.60%	55.79%	\$13.57	2,600	1,800
360	Electronic and other electric equipment	22.24%	62.17%	\$16.41	9,000	4,100
300	Rubber and miscellaneous plastics products	21.67%	49.69%	\$8.08	1,500	1,200

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

VIRGINIA

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
VIRGINIA MANUFACTURING TOTAL		17.33%	37.87%	\$10.75	408,400	287,600
Total Identified Meeting Criteria					132,100	94,900
359	Industrial machinery, n.e.c.	43.35%	144.26%	\$11.05	3,900	3,000
274	Miscellaneous publishing	37.15%	155.51%	\$13.33	1,400	200
233	Women's and misses' outerwear	33.28%	146.09%	\$5.44	12,100	11,400
244	Wood containers	30.00%	53.64%	\$6.89	1,100	900
254	Partitions and fixtures	29.68%	64.83%	\$7.38	1,800	1,400
289	Miscellaneous chemical products	28.72%	87.04%	\$15.08	4,500	2,800
381	Search and navigation equipment	28.65%	139.12%	\$11.22	12,600	3,100
272	Periodicals	28.28%	103.02%	\$12.60	1,400	300
275	Commercial printing	28.14%	57.12%	\$11.40	13,400	10,000
306	Fabricated rubber products, n.e.c.	27.81%	54.09%	\$8.95	2,600	2,100
221	Broadwoven fabric mills, cotton	27.80%	56.46%	\$7.63	7,000	6,100
355	Special industry machinery	26.97%	69.00%	\$11.68	2,300	1,500
399	Miscellaneous manufactures	26.15%	52.74%	\$11.06	2,500	2,200
380	Instruments and related products	25.22%	83.87%	\$9.95	17,800	6,600
362	Electrical industrial apparatus	25.11%	60.75%	\$11.60	4,900	2,600
251	Household furniture	25.09%	53.75%	\$7.33	17,700	15,800
230	Apparel and other textile products	25.07%	64.06%	\$6.27	32,600	30,000
250	Furniture and fixtures	24.89%	54.04%	\$7.44	20,600	18,500
236	Girls' and children's outerwear	24.51%	49.60%	\$5.68	3,300	3,000
323	Products of purchased glass	24.27%	58.91%	\$7.65	2,000	1,600
370	Transportation equipment	23.45%	53.35%	\$13.38	44,000	37,200
232	Men's and boys' furnishings	23.45%	57.06%	\$7.01	10,200	9,300
245	Wood buildings and mobile homes	21.22%	37.99%	\$8.45	1,700	1,300
390	Miscellaneous manufacturing industries	20.93%	41.19%	\$10.23	4,700	3,900
205	Bakery products	20.90%	49.81%	\$10.81	4,300	2,600
366	Communications equipment	20.64%	38.58%	\$11.75	5,200	2,900
320	Stone, clay, and glass products	20.60%	42.35%	\$10.11	10,600	8,200
344	Fabricated structural metal products	20.58%	34.84%	\$10.07	6,400	4,300
327	Concrete, gypsum, and plaster products	20.42%	39.38%	\$10.07	5,600	4,200
360	Electronic and other electric equipment	20.25%	46.20%	\$12.12	20,900	12,900
281	Industrial inorganic chemicals	20.22%	107.81%	\$15.00	3,100	1,600
369	Miscellaneous electrical equipment & supplies	20.18%	48.15%	\$9.29	1,100	700

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
WASHINGTON STATE

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
WASHINGTON MANUFACTURING TOTAL		17.36%	27.62%	\$13.10	353,800	197,900
Total Identified Meeting Criteria					84,200	49,400
381	Search and navigation equipment	45.49%	213.07%	\$12.59	3,700	900
347	Metal services, n.e.c.	37.22%	133.33%	\$8.22	1,000	800
359	Industrial machinery, n.e.c.	34.58%	115.62%	\$11.83	5,100	3,700
399	Miscellaneous manufactures	32.99%	66.83%	\$7.00	2,200	1,500
275	Commercial printing	32.08%	68.75%	\$10.80	6,100	4,400
380	Instruments and related products	28.62%	106.83%	\$15.99	14,500	5,500
366	Communications equipment	28.53%	78.66%	\$9.38	1,500	700
355	Special industry machinery	27.70%	55.15%	\$14.67	4,400	2,300
332	Iron and steel foundries	27.53%	79.14%	\$11.16	1,100	900
350	Industrial machinery and equipment	27.49%	60.33%	\$11.71	22,300	13,000
356	General industrial machinery	27.47%	85.75%	\$9.63	1,500	800
384	Medical instruments and supplies	27.19%	113.09%	\$10.64	4,800	1,600
367	Electronic components and accessories	27.11%	72.84%	\$10.21	5,200	4,000
353	Construction and related machinery	26.22%	49.33%	\$13.33	3,200	1,800
239	Miscellaneous fabricated textile products	25.99%	52.34%	\$7.64	2,200	1,800
390	Miscellaneous manufacturing industries	25.60%	56.37%	\$7.57	5,400	3,900
281	Industrial inorganic chemicals	24.84%	179.59%	\$16.56	9,500	3,000
357	Computer and office equipment	24.53%	48.83%	\$9.30	5,800	2,800
382	Measuring and controlling devices	24.13%	83.63%	\$19.11	6,100	2,900
344	Fabricated structural metal products	23.91%	45.28%	\$11.80	6,500	4,500
358	Refrigeration and service machinery	23.73%	52.46%	\$11.47	1,000	700
360	Electronic and other electric equipment	23.71%	53.17%	\$10.20	10,300	6,900
349	Miscellaneous fabricated metal products	23.69%	50.95%	\$9.59	1,500	1,100
308	Miscellaneous plastics products, n.e.c.	23.62%	47.79%	\$10.26	6,700	5,200
300	Rubber and miscellaneous plastics products	23.52%	48.40%	\$10.10	7,200	5,500
323	Products of purchased glass	23.15%	48.70%	\$10.15	1,300	1,000
206	Sugar and confectionery products	23.01%	49.89%	\$9.07	1,100	900
394	Toys and sporting goods	21.61%	50.16%	\$7.93	2,700	2,100
340	Fabricated metal products	21.30%	38.85%	\$11.59	11,800	8,600
280	Chemicals and allied products	20.60%	82.85%	\$14.34	12,700	4,600

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg, 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
WEST VIRGINIA

SIC CODE	INDUSTRY	LABOR PERCENT OF			HOURLY	
		Shipments*	Materials*	Production	Wage*	EMPLOYMENT
						Total Production
WEST VIRGINIA MANUFACTURING TOTAL		17.81%	34.35%	\$12.24		78,100 55,300
Total Identified Meeting Criteria						15,400 12,000
359	Industrial machinery, n.e.c.	35.63%	74.30%	\$10.34		1,700 1,400
275	Commercial printing	34.49%	75.28%	\$11.50		1,100 800
390	Miscellaneous manufacturing industries	30.22%	68.98%	\$8.29		1,700 1,400
353	Construction and related machinery	28.12%	53.89%	\$12.39		1,600 1,000
360	Electronic and other electric equipment	27.43%	56.77%	\$12.31		2,200 1,700
320	Stone, clay, and glass products	25.93%	69.93%	\$12.61		7,100 5,700

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA

WISCONSIN

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
WISCONSIN MANUFACTURING TOTAL		18.65%	34.22%	\$11.78	583,000	357,400
Total Identified Meeting Criteria					247,900	178,000
253	Public building and related furniture	38.89%	79.81%	\$9.29	1,400	900
306	Fabricated rubber products, n.e.c.	38.42%	76.83%	\$9.81	2,400	1,600
366	Communications equipment	34.54%	231.78%	\$7.92	1,000	600
326	Pottery and related products	33.70%	182.71%	\$11.24	1,000	800
254	Partitions and fixtures	33.41%	88.79%	\$9.19	2,500	2,000
354	Metalworking machinery	33.33%	84.57%	\$13.24	15,000	9,900
382	Measuring and controlling devices	29.86%	70.85%	\$10.71	5,800	3,400
279	Printing trade services	29.25%	125.24%	\$12.47	2,000	1,600
342	Cutlery, handtools, and hardware	28.99%	89.62%	\$12.51	8,200	4,900
332	Iron and steel foundries	28.14%	83.74%	\$12.38	12,200	9,700
355	Special industry machinery	27.06%	53.34%	\$13.38	11,400	6,500
349	Miscellaneous fabricated metal products	26.94%	74.01%	\$11.03	9,900	6,900
275	Commercial printing	26.94%	86.33%	\$11.03	23,100	17,700
387	Electronic components and accessories	25.80%	52.31%	\$7.49	4,300	2,700
225	Knitting mills	25.70%	56.66%	\$7.44	2,100	1,700
346	Metal forgings and stampings	25.58%	51.24%	\$12.03	12,200	9,400
244	Wood containers	25.50%	46.56%	\$8.68	1,700	1,400
250	Furniture and fixtures	25.30%	55.82%	\$8.36	13,100	9,800
336	Nonferrous foundries (castings)	25.11%	46.80%	\$11.41	5,500	4,800
345	Screw machine products, bolts, etc.	24.22%	53.80%	\$9.87	3,100	2,400
330	Primary metal industries	24.15%	45.63%	\$12.08	22,600	17,800
399	Miscellaneous manufactures	23.98%	51.37%	\$8.19	6,900	4,800
259	Miscellaneous furniture and fixtures	23.86%	49.30%	\$9.88	2,000	1,500
340	Fabricated metal products	23.73%	49.64%	\$11.37	54,000	40,200
373	Ship and boat building and repairing	23.66%	38.33%	\$10.98	3,000	2,300
344	Fabricated structural metal products	23.46%	44.35%	\$10.74	14,100	9,900
358	Refrigeration and service machinery	23.25%	45.17%	\$11.72	8,300	3,400
356	General industrial machinery	22.90%	57.49%	\$13.73	10,900	8,900
220	Textile mill products	22.86%	49.17%	\$9.34	3,100	2,400
390	Miscellaneous manufacturing industries	22.85%	47.61%	\$8.48	10,300	7,000
362	Electrical industrial apparatus	22.78%	52.21%	\$11.34	14,300	9,300
364	Electric lighting and wiring equipment	22.74%	55.45%	\$9.00	2,100	1,600
274	Miscellaneous publishing	22.22%	51.56%	\$5.88	1,900	900
300	Rubber and miscellaneous plastics products	22.21%	44.37%	\$10.02	24,700	19,400
251	Household furniture	21.98%	44.18%	\$7.25	5,400	4,400
205	Bakery products	21.89%	55.46%	\$8.94	4,100	2,900
273	Books	21.86%	38.08%	\$13.59	3,800	2,700
243	Millwork, plywood, and structural members	21.78%	39.90%	\$9.45	11,900	9,400
343	Plumbing and heating, except electric	21.66%	71.15%	\$12.48	2,200	1,700
252	Office furniture	21.62%	58.82%	\$8.83	1,700	1,100
350	Industrial machinery and equipment	21.10%	44.49%	\$13.70	89,800	58,300
308	Miscellaneous plastics products, n.e.c.	20.84%	41.49%	\$9.94	18,800	15,000
327	Concrete, gypsum, and plaster products	20.83%	41.18%	\$11.19	3,700	2,700
240	Lumber and wood products	20.34%	35.97%	\$9.25	23,400	18,600
351	Engines and turbines	20.10%	39.46%	\$17.46	11,900	8,800

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

To avoid the possibility of double counting, two-digit SIC industries (eg. 250, 340...) are omitted from totals.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
WYOMING

SIC CODE	INDUSTRY	LABOR PERCENT OF		HOURLY	EMPLOYMENT	
		Shipments*	Materials*	Production Wage*	Total	Production
WYOMING MANUFACTURING TOTAL		9.18%	13.89%	\$11.59	9,800	6,400
Total Identified Meeting Criteria					2,600	1,700
350	Industrial machinery and equipment	28.02%	71.21%	\$9.55	1,500	600
242	Sawmills and planing mills	22.07%	93.77%	\$10.05	1,100	1,100

Source: "Annual Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census.

* Wage and Salary only; does not include non-wage benefits or other employer costs.

Additional industries cannot be identified due to disclosure restrictions.

JOBS AT RISK

Vulnerable U.S. Industries and Jobs Under NAFTA
STATE TOTALS (Rank Ordered)

State	ALL MANUFACTURING		*IDENTIFIED MEETING AMERIMEX CRITERIA			
	Employed	Production	Employed	Production	Employed %	Production %
UNITED STATES.....	18,061,900	11,513,400	8,752,200	5,988,200	48.46%	52.01%
California.....	1,961,800	1,138,400	1,221,700	747,800	62.27%	65.67%
Pennsylvania.....	982,000	616,700	485,800	349,500	50.50%	56.67%
Ohio.....	1,045,400	678,800	458,500	323,900	43.86%	47.72%
Illinois.....	976,100	588,900	465,400	305,900	47.68%	51.94%
New York.....	1,054,000	594,500	408,900	265,900	38.80%	44.73%
Michigan.....	858,200	545,800	330,400	239,500	38.50%	43.88%
Texas.....	922,700	562,300	371,500	226,200	40.26%	40.23%
North Carolina.....	801,900	590,000	224,900	180,000	28.05%	30.51%
Wisconsin.....	533,000	357,400	247,800	178,000	46.49%	49.80%
Indiana.....	594,100	415,200	237,600	177,700	39.99%	42.80%
New Jersey.....	590,900	312,800	259,200	173,800	43.87%	55.56%
Tennessee.....	493,000	358,200	218,400	172,100	44.30%	48.05%
Florida.....	473,100	285,500	268,300	164,500	56.71%	57.62%
Massachusetts.....	489,700	274,800	233,300	144,800	47.64%	52.69%
Alabama.....	363,300	278,400	149,200	120,000	41.07%	43.10%
Minnesota.....	384,500	218,200	167,900	103,300	43.67%	47.34%
Connecticut.....	338,600	175,800	175,700	101,200	51.89%	57.57%
Virginia.....	408,400	287,800	132,100	94,900	32.35%	33.00%
Missouri.....	401,400	255,600	123,500	88,600	30.77%	34.86%
Mississippi.....	237,200	188,900	108,200	88,000	45.62%	46.59%
Kentucky.....	272,900	204,800	109,400	85,400	40.09%	41.70%
South Carolina.....	352,600	265,300	90,800	70,700	25.75%	26.65%
Georgia.....	545,100	381,800	90,400	89,000	16.58%	18.07%
Kansas.....	187,000	125,100	92,500	61,900	49.47%	49.48%
Oklahoma.....	168,600	110,000	70,500	51,200	41.81%	46.55%
Washington.....	353,800	197,900	84,200	49,400	23.80%	24.96%
Oregon.....	208,400	145,000	75,900	47,800	36.42%	32.97%
New Hampshire.....	85,800	53,600	61,700	42,100	71.91%	78.54%
Maryland.....	200,600	111,900	77,900	42,000	38.83%	37.53%
Maine.....	97,800	71,500	55,800	42,000	57.06%	58.74%
Iowa.....	224,000	154,000	57,400	39,800	25.83%	25.84%
Louisiana.....	174,800	122,900	49,400	38,100	28.26%	31.00%
Arizona.....	173,500	92,400	63,300	35,800	36.48%	38.74%
Colorado.....	176,200	98,800	82,800	35,500	35.64%	36.00%
Rhode Island.....	94,800	62,600	46,200	32,500	48.84%	51.92%
Nebraska.....	100,500	74,800	34,200	25,600	34.03%	34.32%
Utah.....	101,800	63,600	38,300	22,800	35.66%	35.85%
Vermont.....	42,800	28,200	28,100	18,400	65.65%	65.25%
Arkansas.....	220,200	172,300	19,700	15,900	8.95%	9.23%
West Virginia.....	78,100	55,300	15,400	12,000	19.72%	21.70%
New Mexico.....	40,700	27,300	12,800	9,300	31.45%	34.07%
Idaho.....	60,500	44,500	11,900	8,700	19.67%	19.55%
Montana.....	19,800	14,300	8,500	6,800	42.93%	47.55%
South Dakota.....	30,300	22,400	8,500	6,000	28.05%	26.79%
Nevada.....	25,600	16,900	8,400	5,200	32.81%	30.77%
Delaware.....	62,400	27,900	4,200	3,000	6.73%	10.75%
Wyoming.....	9,800	6,400	2,600	1,700	26.53%	26.56%
North Dakota.....	17,200	11,500	N/A	N/A	N/A	N/A

U.S. Department of Commerce, Bureau of the Census. "Annual Survey of Manufactures: 1991"

* Disclosure restrictions limit identifications in many states.

PURCHASING POWER AT RISK

Vulnerable U.S. Payrolls Under NAFTA
STATE TOTALS (Rank Ordered)

State	ANNUAL MANUFACTURING PAYROLL			
	1991		NAFTA Vulnerable*	
	Total	Protection	Total	Protection
	(Millions)		(Millions)	
UNITED STATES.....	\$529,019	\$266,412	\$256,345	\$138,563
California.....	62,521	26,640	38,935	17,495
Ohio.....	33,091	18,393	14,513	8,776
Pennsylvania.....	27,703	14,328	13,990	8,120
Illinois.....	30,659	14,601	14,618	7,585
Michigan.....	30,757	16,997	11,841	7,458
New York.....	33,831	13,850	13,125	6,195
Texas.....	27,726	13,205	11,163	5,312
Indiana.....	17,755	10,709	7,101	4,583
New Jersey.....	20,371	7,644	8,936	4,247
Wisconsin.....	14,921	8,445	6,937	4,206
Massachusetts.....	15,843	6,755	7,548	3,559
Tennessee.....	11,711	7,084	5,188	3,404
North Carolina.....	18,813	10,872	5,276	3,317
Florida.....	12,201	5,403	6,919	3,113
Connecticut.....	11,777	4,854	6,111	2,679
Minnesota.....	11,744	5,071	5,128	2,401
Alabama.....	8,287	5,473	3,403	2,359
Virginia.....	10,680	6,079	3,455	2,006
Missouri.....	11,238	5,705	3,458	1,977
Kentucky.....	7,001	4,383	2,806	1,828
Mississippi.....	4,775	3,218	2,176	1,499
Kansas.....	5,130	2,923	2,538	1,446
South Carolina.....	8,348	5,235	2,150	1,395
Georgia.....	13,118	7,420	2,175	1,341
Washington.....	11,801	5,053	2,808	1,261
Oklahoma.....	4,637	2,503	1,939	1,165
Oregon.....	5,644	3,318	2,056	1,094
Maryland.....	6,271	2,875	2,435	1,079
New Hampshire.....	2,542	1,267	1,828	995
Louisiana.....	5,005	3,135	1,414	972
Maine.....	2,451	1,595	1,398	937
Iowa.....	5,967	3,589	1,529	927
Colorado.....	5,647	2,547	2,013	917
Arizona.....	5,171	2,093	1,887	811
Rhode Island.....	2,305	1,181	1,126	813
Nebraska.....	2,337	1,498	795	514
Utah.....	2,592	1,289	924	462
Vermont.....	1,231	613	808	400
West Virginia.....	2,221	1,369	438	297
Arkansas.....	4,471	3,058	400	282
Idaho.....	1,607	964	316	189
New Mexico.....	927	533	292	182
Montana.....	479	336	206	160
Nevada.....	637	343	209	105
South Dakota.....	597	389	167	104
Delaware.....	2,434	770	164	83
Wyoming.....	251	151	67	40
North Dakota.....	385	211	N/A	N/A

U.S. Department of Commerce, Bureau of the Census.

Annual Survey of Manufactures

* Based on percentages identified meeting AmeriMex criteria.

SOURCE AND METHODS

These tables were constructed entirely and directly from electronic media sources of the "Annual Survey of Manufactures: 1991" produced by the U.S. Bureau of the Census and released in March, 1993.

The Annual Survey of Manufactures (ASM) covers all establishments with paid employment primarily engaged in manufacturing as defined in the STANDARD INDUSTRIAL CLASSIFICATION MANUAL. Data from the 1991 ASM are based on the current 1987 SIC definitions.

The ASM and the census of manufactures is conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each location.

The Bureau of the Census conducts the annual survey of manufactures (ASM) in each of the four years between the Census of Manufactures. The ASM is a probability-based sample of approximately 56,000 establishments and collects the same industry statistics as the census of manufactures. In addition to collecting the information normally requested on the census form, the establishments in the ASM sample are requested to supply information on assets, capital expenditures, retirements, depreciation, rental payments, supplemental labor costs, cost of purchased services, and foreign content of materials consumed. Except for supplemental labor costs, the extra ASM items are collected only in census years.

The tables in this report utilize the following data by state for every three digit SIC industry included in the 1991 ASM:

- o Total Annual Payroll (does not include supplemental labor costs including non-wage benefits);
- o Total Annual Value of Materials;
- o Total Annual Value of Shipments;
- o Total Annual Hours of Production Workers;
- o Total Annual Wages of Production Workers;
- o Total Employment in the Week of March 12, 1991;
- o Total Production Employment in the Week of March 12, 1991.

Calculations were made as follows:

- o Labor Percent of Shipments: Annual Payroll divided by Annual Value of Shipments;
- o Labor Percent of Materials: Annual Payroll divided by Annual Value of Materials;
- o Hourly Production Wage: Wages of Production Workers divided by Hours of Production Workers;
- o Total Employment = Total Employment Week of March 12, 1991;
- o Production Employment = Total Production Employment Week of March 12, 1991.

Tables list only those industries in which total payroll was identified as accounting for 20.00% or more of the total value of shipments. Particularly in smaller states where disclosure could be traced to a particular firm, restrictions prevent the identification of many industries.

Summary tables also include the percent of total employed and of total production workers identified meeting the AmeriMex labor content criteria. This is simply the totals that can be identified meeting the criteria in each state divided by that state's total manufacturing employment or total number of manufacturing production workers. The summary tables for manufacturing payrolls reflect total payroll for all manufacturing employment and for that portion engaged in production multiplied by the total employment (or production) identified as meeting the AmeriMex criteria.



ISBN 0-16-041235-8

9 780160 412356 90000



A standard 1D barcode representing the ISBN 0-16-041235-8. The barcode is composed of vertical black bars of varying widths on a white background. The numbers 9 780160 412356 are printed below the main barcode, and the number 90000 is printed to the right of the main barcode.